85-1807 (1)

Supreme Court, U.S.
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NO. _____

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1985

LUCJAN ZLOTNICKI
(Defendant) PETITIONER

V.

HARSCO CORPORATION
(Plaintiff)

PETITION FOR A WRIT OF CERTIORARI
TO THE THIRD CIRCUIT COURT OF APPEALS

Petitioner's
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Date: April 23, 1986

74 pp

QUESTIONS PRESENTED

Whether the failure of the courts below to take as true, for the purposes of a Summary Judgment Motion, Petitioner's (non-movant's) Statement of Material Facts and Affidavit violated Zlotnicki's constitutional rights to equal protection under the law, to due process of the law, and to a jury trial by departing from well established principles controlling the basis for Summary Judgment?

Whether an employer has the right to compel an employee,by threats of termination of employment, to promise to assign employee's private property vested in an invention and a patent, made outside of employment place and time, without use of employer's information or property of any kind, without any duty to design or invent, and which was disclosed to employer without duty to do so; and if such promise was exacted, in form of what is standard pre-employment agreement with reservations attached, without naming

the invention and was signed 15 months after hire and 7 months after invention was disclosed for which no other consideration was given but removal of the threat and employee was terminated from employment one month later, whether the court properly granted Summary Judgment enforcing the agreement without considering the equities involved?

Whether granting of specific performance by Summary Judgment of an agreement to assign inventions as between employer and employee and as one involving important public policy and employee's constitutional rights, is proper, when the granting of specific performance is not of right but by grace of the Court, and it has been held that Summary Judgment granting specific performance can never be proper, in Seaboard Surety Co. v. Racine Screw Co., 203 F.2d 532 (7th Cir., 1953)?

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OPINION BELOW

The Opinion and rehearing denial of the Third Circuit of Appeals and Opinions of the District Court and Opinion of Commonwealth Court of Pennsylvania are contained in the Appendix hereto (Appendicies A-F and I, infra).

JURISDICTION

The Petition for Rehearing was timely filed and denied by the Third Circuit Court of Appeals on January 23, 1986. This petition was filed within 90 days of that date. Rehearing was sought from the Court's Opinion issued on December 17, 1985, granting and affirming Summary Judgment for Harsco Corp. (Movant).

The Supreme Court's jurisdiction is invoked under Article III, Sec. 1 and Sec. 2(1) of the Constitution; 28 U.S.C. Sec. 1332(a)(2); U.S. Supreme Court Rule 17.1(a); and 28 U.S.C. 1254(1).

CONSTITUTIONAL PROVISIONS

ARTICLE 1, Section 8, Clause 8:

The Congress shall have Power to Promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

AMENDMENT V:

No person shall be ... deprived of property, without due process of law; nor shall private property be taken for public use without just compensation.

AMENDMENT VII:

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved ...

AMENDMENT XIV, Section 1:

... No State shall ... deprive any person of ... property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

STATEMENT

PROCEDURAL STATEMENT:

The federal jursidiction is based on 28 U.S.C., Sec. 1332 (a)(2). A jury trial was demanded.

On March 14, 1983, Zlotnicki filed an application for a patent on his invention of a 4-Bar Bridge Launch Mechanism, and received Patent #4,510,637 on April 16, 1985. All costs were paid by Zlotnicki.

On March 23, 1983, Harsco filed an application for a patent on Zlotnicki's invention without his knowledge.

Zlotnicki was fired summarily by Harsco on March 24, 1983.

On March 24, 1983, a Temporary Restraining Order was entered. On March 31, 1983, Harsco filed a Complaint for Declaratory Judgment and Injunctive Relief to obtain the invention and to enjoin Zlotnicki from his use of his own invention.

On April 4, 1983, Harsco filed a Motion for Preliminary Injunction. On April 22,

1983, a hearing was held before Sylvia H. Rambo, J. On May 4, 1983, an Order signed by R. Dixon Herman, J., granted the Preliminary Injunction and stated that the Agreement would probably fail for lack of consideration.

Harsco filed a Motion for Summary Judgment based upon the employer-employee relationship, and by Order dated August 30, 1983, the Court denied this Motion because of a dispute over Zlotnicki's employment duties and assignments.

The case was scheduled for trial by jury for August of 1984, but later was placed on the November trial list of William W. Caldwell, Jr., J., because Judges Rambo and Herman recused themselves.

On October 15, 1984, Harsco filed a second Motion for Summary Judgment alleging that the Agreement was enforceable. The case was moved to the December trial list and a Pre-Trial Conference was scheduled on November

29, 1984. Zlotnicki correspondingly, filed a Motion for Partial Summary Judgment alleging that the Agreement was unenforceable. Two days prior to the Pre-Trial Conference and before receiving Zlotnicki's Reply Brief, the Court granted Harsco's Motion and denied Zlotnicki's Motion without oral argument. On December 6, 1984, Zlotnicki filed a Motion for Reconsideration pursuant to F.R.C.P. 59(e), which was denied.

Thereafter, Zlotnicki timely filed an appeal to the Third Circuit Court of Appeals. The Court issued an Opinion on December 17, 1985, affirming judgment, and denied rehearing on January 23, 1986.

FACTUAL STATEMENT:

Lucjan Zlotnicki accepted a position with Harsco on October 6, 1981, relocating himself and ultimately his family to the York area from Philadelphia. He then became a U.S. Permanent Resident.

On November 2, 1981, he became a full-time employee with the title of "staff engineer". The terms of his employment (duties, salaries, benefits, hours of work and performance expectations) were fully discussed and negotiated. Research, designing and inventing were not part of his job. He was not presented with the company's Employee Agreement at the time he became a consultant or when he became a full-time employee. During employment, Zlotnicki was not assigned to any project or team that involved "concepting", "designing", "development" or "inventing".

In January 1982, the employer gave to Zlotnicki an Employee Agreement to sign. He refused, but made a proposed draft of that which he would agree to, and gave it to his employer for consideration. Zlotnicki was given the understanding that his proposal was under consideration, but he was unable to get any firm commitment. Correspond-

ingly, the employer did not press Zlotnicki for his signature.

In late July or early August 1982, Harsco became aware of a Request for Proposal (RFP) for a heavy assault bridge. Harsco did not build bridges nor did it build any devices to launch them. The RFP required a bridge longer than had previously existed. Israeli Military Industries (IMI) proposed a joint approach with Harsco in which IMI would design and build the bridge, and Harsco would respond to the RFP and make adjustments to the existing (L-Foot) Launch Mechanism used by the U.S. Army for over twenty years.

Zlotnicki, whose job duties only required him to do mathematical calculations, was requested to calculate whether an existng U.S. Army launcher, as-is, could carry the new bridge. He determined quickly, with a "moment" calculation, that such a combination would topple. Zlotnicki communicated

the result to Harsco, who directed him not to spend any more time on this subject.

When Zlotnicki left work on Friday, August 6, 1982, it was his understanding that Harsco would not respond to the proposal request because the concept of mounting an extended bridge and existing launcher on an Army vehicle would not work, and Harsco was not in the line of business which would enable it to create and build any mechanism that might work. He also knew that any new idea would not be responsive to the RFP because it did not call for any new ideas for launchers.

Independently, Zlotnicki, on Saturday and Sunday, August 7 and 8, 1982, at home, on his own time, with his own materials and nothing belonging to Harsco, created an invention which he called the 4-Bar Bridge Launch Mechanism. This mechanism was new and had the capability of being mounted on any support. See U.S. Patent #4,510,637.

On Monday, August 9, 1982, Zlotnicki disclosed his invention, which he had reduced to writing, to his employer. It was not until the second week of August 1982 that the actual RFP was obtained by Harsco whereupon it was learned that the deadline for submission of a concept for the bridge was extended. and Harsco decided to respond. At that time, and for the next 6 days, he tried to persuade Harsco to use his idea. Harsco rejected Zlotnicki's invention as not being responsive to the RFP. He was thereupon reminded again that he was not to become involved in this project unless requested.

During the third week of August 1982, an Israeli Colonel learned of Zlotnicki's invention and enthusiastically supported it.

Harsco then asked and Zlotnicki agreed to provide his invention to his employer with the understanding and upon assurance that his proposal for an Employee Agreement that he submitted in January 1982 would be

accepted by Harsco. His proposed Agreement differed from Harsco's by providing that for any assignment he would receive unspecified additional remuneration to be agreed upon, over and above his salary.

The response to the RFP was submitted in September 1982.

Zlotnicki made numerous inquiries concerning his proposed Employee Agreement and was informed that it was awaiting approval. To obtain a patent, Harsco suggested lawyers in Washington, D.C. Zlotnicki accepted that suggestion.

From November 1982 to February 1983, there were a series of administrative delays and unexplained mishaps on the part of Harsco concerning papers Zlotnicki had to prepare for the patent application.

On February 8, 1983, when Zlotnicki learned that Harsco had prepared illustrations of his invention which were to be publicly circulated, he notified his

superior by memo that any publication prior to obtaining a patent would defeat his right to a patent.

Upon learning of the U.S. Army's interest in Zlotnicki's invention, his superiors demanded a meeting on February 11, 1983, at which Zlotnicki was humiliated, harrassed and threatened with termination and deportation. He was ordered to sign the company Employee Agreement and attach his own Agreement, also signed, or be terminated. He was advised that such Agreement with reservations attached would be submitted as a package to the President of Harsco for consideration. After being forced to sign the Agreement and reservations on February 18, 1983, he heard nothing further from the patent attorney, nor did he hear about his reservations attached to the company Agreement. He prepared and filed a patent application on March 14, 1983. He continued to request information concering his proposal,

but received none. Thereafter, he requested a patent attorney to contact the President of BMY to negotiate the terms of Harsco's use of the invention and Zlotnicki's understanding that he was to receive some unspecified remuneration. The attorney's telephone calls to Harsco were uneffective. When the attorney suggested to Harsco that the Government ought to be informed that there appeared to be a dispute as to the title to the invention, the attorney was immediately invited to Harsco's headquarters on March 24, 1983. Harsco itself notified the Government about the dispute. The attorney expected to negotiate a resolution of this matter, but, upon arrival, was abruptly told that Zlotnicki had been terminated that very afternoon and that Judge Rambo was on the telephone waiting to speak to him about a Temporary Restraining Order.

The U.S. Government, in June/July 1983, i.e. three months after Zlotnicki's termin-

ation, awarded Harsco a contract to build Israeli bridge and Zlotnicki's launcher.

There is presently before the U.S. District Court for the Middle District of Pennsylvania, the case of Zlotnicki vs. Harsco Corp. and BMY, Civil Action No. 84-0405 which is a wrongful discharge action that has been Stayed by the District Court pending the outcome of this petition.

The Commonwealth Court of Pennsylvania, in a related case, found, based on facts presented substantially identical to those presented in Federal Courts, that one reasonable inference to be drawn was:

> "(Zlotnicki's) termination was not the result of claimant's misconduct but the culmination of a predeterminated course of action engaged in by Harsco to gain all rights to the devise and drive claimant from his livelihood." (App. I.20 n.10)

The full decision of the Court is attached in Appendix I.

ARGUMENT

The courts below abused their discretion and departed from well established precedents by not taking as true Zlotnicki's (non-movant) allegations, by not giving credence to non-movant's proferred material facts and by not viewing inferences drawn from the facts presented in a light most favorable to the non-moving party and therefore, the granting of Summary Judgment by the District Court and affirmance of that decision by the Court of Appeals for the Third Circuit is erroneous.

The Court's task is to determine whether:

> "The pleadings, depositions, answers to Interrogatories and admissions on file, together with the Affidavits, if any, show that there is no genuine issue as to any material fact and (whether) the moving party is entitled to a judgment as a matter of law."

F.R.C.P. 56(c), in Re: Japanese Electronic Products, 723 F.2d 238, 257 (3d Cir. 1983).

The Third Circuit has interpreted F.R.C.P. 56 on numerous occasions and the following general principles have emerged:

a) Summary Judgment shall not be granted where there is the slightest doubt as to the facts. Tomalewski v. State Farm Life Insurance Co., 494 F.2d 882 (3d Cir. 1974);

b) Summary Judgment is a drastic weapon which should only be used sparingly since it bars litigants from presenting their case to the jury. Frey v. Woodard, 565 F.Supp. 386 (E.D.Pa., 1983);

c) The burden is on the moving party to demonstrate that there are no genuine disputes as to either the material facts or the inferences to be drawn from such facts. Peterson v. Lehigh Valley District Council, 676 F.2d 81 (3d Cir. 1982);

d) Genuine issues of material fact are facts that may affect the outcome of the litigation. See Cirput v. Moore, 540 F.Supp. 817 (E.D.Pa. 1981);

e) The existence of disputed issues of material fact should be ascertained by resolving all inferences, doubts and issues

of credibility against the moving party. Ely v. Hills Motor Transit Co., 590 F.2d 62 (3d Cir. 1978); and

f) The Court's function in considering a Motion for Summary Judgment is not to determine what the facts may be, but whether any disputed material facts exist. Brown v. Caterpiller Tractor Co., 696 F.2d 246 (3d Cir. 1982); Knoll v. Springfield Township School District, 699 F.2d 137 (3d Cir. 1983).

It is well established in the Third Circuit that "in evaluating this motion the Court must take as true the non-movant's allegations and, when these assertions conflict with those of the movant, the former must receive the benefit of the doubt. Goodman v. Mead Johnson & Co., 534 F.2d 566, 573 (3d Cir., 1976) cert. denied 429 U.S. 1038 (1977). Inferences to be drawn from the underlying facts contained in the evidentiary sources submitted to the

trial court must be viewed in the light most favorable to the party opposing the motion." Harsco Corp. v. Zlotnicki, Civil Action 83-0384, Memorandum Opinion filed August 30, 1983 (Summary Judgment denied) (emphasis supplied)(App. E-2).

In the instant case Harsco's (App. J, M) and Zlotnicki's (App. K, L) versions of the material facts were substantially different, and yet, contrary to the mandates of the case law in the Third Circuit, all doubts were resolved in favor of Harsco depriving Zlotnicki of his right to equal protection under the law and his right to a jury trial, thus depriving him of his property and his exclusive rights without due process of law.

In this case disputes exist with regard to (a) job duties; (b) Harsco's line of business; (c) time, place and circumstance of conception and invention; (d) lack and failure of consideration for the signing of the Employee Agreement; (e) whether the

Employee Agreement covers Zlotnicki's invention; (f) whether the Employee Agreement consists of one or three pages and whether it is prospective or retrospective.

Yet the Court resolved all doubts in favor of Harsco, in spite of the fact that Harsco's attorney's unverified statements are not supported by the record, or by admissible evidence, which Zlotnicki's are. See, Zanghi v. Incorporated Village of Old Brookville, 752 F.2d 42 (2d Cir. 1985); R.F.C.P. 9(g).

As illustrated hereinafter by a comparison of Harsco's, Zlotnicki's, and the Court's positions on only a few items of contention, it becomes clear that the Court abused its discretion when it took it upon itself to determine what the facts were and failed to distinguish that there was dispute as to the material facts thus depriving Zlotnicki of his right to be protected by the law.

Of particular interest and importance is that the Commonwealth Court having substantially identical facts presented to it found that:

> "There is some controversy as to whether claimant was part of a team assigned to work on the U.S.-Israeli project and what his designated role was." (App. I-3).

JOB DUTIES

HARSCO'S POSITION ON JOB DUTIES:

Harsco's attorney's unverified contentions are at variance not only with Zlotnicki's, but with Harsco's own employees, including Zlotnicki's immediate superior, Mr. Richard Koster.

Harsco has stated that Zlotnicki was assigned as part of the nucleus of a team tasked with determining technical solutions to the RFP (App. J-#7), and that his invention was allegedly suggested by and resulted from work he was doing for Harsco. For this position, Harsco's attorney relied on statements made by

William Jairett during the preliminary injunction hearing - statements which were, in critical parts, based on hearsay information which would not have been admissible at trial and therefore should not be admissible for Summary Judgment purposes either. Assoc. For Reduction of Violence v. Hall, 734 F.2d 63 (1st Cir. 1984).

But, in his deposition, Richard Koster, Chief Engineer at BMY at the time of his deposition and Zlotnicki's immediate superior (Koster Dep. 18, 23) and in charge of the bridge RFP at the time in question (Koster Dep. 97, 101), contradicted Harsco's statement of material facts and supported Zlotnicki's by stating under oath and in the presence of all counsel that Zlotnicki was never directed or instructed to develop his idea by Harsco, or even to come up with a new idea for a launcher. (Koster Dep. 111-

118)[1]

It is to be noted that the name "launcher" has been bandied about as if one launcher were just like another - as if a bicycle and an automobile were the same because they were both vehicles which carried people - but there has been no showing by Harsco that they are in any way related. The U.S. Patent #4,510,637, issued to Zlotnicki, does not refer to the existing army launcher which Harsco was adapting (L-foot) for the purpose of the RFP. The reasonable inference is that Zlotnicki's invention was not a result of and was not suggested by

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[1] The following testimony from Koster's deposition is illustrative:

Q. Was Lucjan ever directed before he gave the idea to you to develop a different idea?

A. No.

Q. Was he ever instructed to do that?

A. Not to my knowledge.

Koster deposition - p. 112.

Q. But he wasn't instructed to function with the development of a new idea, was he?

A. He was not specifically told, come up with a new idea for a launcher, no.

Koster deposition - p. 114-115.

work done on the existng launcher by anyone at Harsco.

ZLOTNICKI'S POSITION ON JOB DUTIES

Zlotnicki's position is that he was not hired to invent (App. G-#10, 15, 17, 22, 23, 24, 27, 33; App. H; App. I-7), not assigned to design a bridge launch mechanism (App. G-#26, 27, 28), was not assigned as part of the nucleus of a team tasked with determining technical solutions to the RFP (App. G-#26, 27, 28; App. K-#7), was not instructed to determine the feasibility of his idea (App. K-#8) (corroborated by the testimony of Koster, pp. 112-115), that the invention was not suggested by work Zlotnicki was doing for Harsco and that he "... did not spend one minute of the working day on..." invention. (App. G-#26-29; App. H.1-4; K-#10-12), was not instructed by Harsco to design, "concept" or invent a bridge launcher (App. G-#27; H.2-3), or anything else (App. G-#27,33; H-3; Koster

Dep. 114-115), was not assigned to a team of engineers which worked on a bridge launcher (App. G-#26; Koster Dep. 112-115). "More importantly, Zlotnicki did not permit Harsco to use his invention without first obtaining from Harsco a promise that he would be compensated for it." (App. K-#8)

It is essential to note that Koster, Zlotnicki's supervisor and the person in charge of the RFP, is the only Harsco witness, whose deposition on issues critical to the resolution of this case is based on his personal knowledge. Koster's deposition, which was and is a part of the record, was totally ignored by the Court.

In his sworn testimony Koster stated that: he was probably the first one at Harsco to learn that the RFP even existed; he subsequently informed his superior (Jairett) (Koster Dep. 96); Zlotnicki was not present at those meetings (Koster Dep. 97); Zlotnicki became aware of the RFP in early

August 1982 (Koster Dep. 97); the Bridge for the RFP was provided by Israelis (Koster Dep. 95); Harsco decided to adapt under direction of Koster the existing army launcher to use with the Israeli bridge (Koster Dep. 97, 102, 104); the object was not to produce a design but to evaluate feasibility only (Koster Dep. 103) (emphasis supplied); the effort started after the end of July and "the first week was devoted to getting additional copies of the RFP" and finding documentation of the existing army launcher which Harsco was to adapt (Koster Dep. 104) and to moving offices (Koster Dep. 59); Zlotnicki informed Koster that he had an invention at the end of the first or middle of the second week (Koster Dep. 105), i.e. August 6-11, 1982 (note Zlotnicki's statements fixing the completion of the invention on the weekend, August 7/8, 1982, App. K-#8); after Zlotnicki disclosed his invention he was told that time could not be

spent on it (Koster Dep. 116); Zlotnicki was asked to look at the existing army launcher to do "moment calculation" (Koster Dep. 104-105); Harsco, not having capabilities to adapt the launcher was contacting some outside company (Koster Dep. 109-110); with respect to Harsco's adaptation of the existing army launcher Zlotnicki was asked to be available for making moment calculations (Koster Dep. 105, 115); there was no specific assignment given to Zlotnicki (Koster Dep. 115); prior to making his invention Zlotnicki was not directed to develop any idea different from the existing army launcher, was not instructed to develop any new idea, and was not instructed to come up with any idea at all (Koster Dep. 112, 114); nothing was asked of Zlotnicki with respect to the existing launcher except being available for calculation if requested and no task was given to him on how to modify the existng launcher (Koster Dep. 107-108).

The foregoing clearly establishes by Harsco's own longtime employee who was responsible for the RFP, that Zlotnicki had done no work for Harsco which would possibly result in any design, and even less any new design, and even less than that, in any invention. The statements of Koster also clearly indicate that the only task ever assigned to anyone at Harsco was to adapt the existing launcher and there is no indication whatsoever that anyone at Harsco was assigned to develop anything new or different from the existing launcher, and there is no indication of the existence of any team tasked with finding technical solutions. Most importantly, Zlotnicki was never doing any such work nor had he any duty to do such work. The only reasonable inference is that when he designed his launcher he was not doing it during or pursuant to his employment with Harsco.

It also is undisputed that Zlotnicki made his invention without Harsco's knowledge, request or permission and without being paid for it. He made some designs at home, when he was free to do anything he desired, without any cost to Harsco, and did that for himself, not Harsco. The fact that he disclosed the invention to Harsco is indicative that he intended to sell his invention and does not indicate that he intended to give it to Harsco without receiving payment for it. It is axiomatic in our law that:

> "An employee performing all the duties assigned to him in his department of service, may exercise his inventive faculties in any direction he chooses, with the assurance that whatever invention he may thus conceive, and perfect, is his individual property. There is no difference between the government and any other employer in this respect. ... The (employer) has no more power to appropriate a man's property invested in a patent than it has to take his property invested in real estate..." Solomons v. United States, 137 U.S. 342, 346. See also, United States v. Dubilier, 289 U.S. 178.

The above law clearly indicates that if an employer attempts to take private property without paying for it as it would have to pay to a non-employee, the employee is protected against such appropriation, and:

> "If one party procures the legal title to property from another by fraud or misrepresentation or concealment, or if a party makes use of some influential or confidential relation which he holds towards the owner of the legal title, to obtain such legal title from him upon more advantageous terms than he could otherwise have obtained it, equity will convert such party thus obtaining property into a trustee." Perry, Trusts and Trustees (7th Ed.), Section 166, p. 267.

It follows then that regardless of the language of the agreement signed by Zlotnicki, it was exacted from him under threats of disrupting his earning of a livelihood and with total disregard for the laws of this land guaranteeing to inventors that what they invent belongs to them, and that employers cannot appropriate private property in any other way but by paying for it.

In this case the Courts below totally disregarded the equities involved and thus clearly abused their discretion.

Under Pennsylvania law, no equitable relief will be granted to a party who has been guilty of unlawful or unconscionable conduct with regard to the very matter for which he seeks relief. Mosser Industires, Inc. v. Hager, 200 U.S.P.Q. 608, 615 (C.P.Pa., 1978), citing Stauffer v. Stauffer, 465 Pa. 558, 351 A.2d 236 (1976), citing cases.

Harsco boldly admitted that it threatened Zlotnicki with termination of employment if he did not sign the agreement which Harsco wrote for employees to sign at the beginning of employment and which Harsco thus intended to have prospective application only, and concealed from Zlotnicki that it intended to reach for his private property by use of this agreement. Therefore, under Pennsylvania law, and certainly recognized

by the Commonwealth Court (App. I) which was critical of Harsco's outrageous behavior, Harsco was guilty of "unclean hands" and "bad faith and unfair dealing". Thus, the Courts below abused their discretion and mandate by granting Summary Judgment in Harsco's favor, and deprived Zlotnicki of his constitutional rights to his property (Art. 1.8.8, Amm't V) and his right to trial by jury (Art. 1.8.8, Amm't VII).

THE COURT'S POSITION ON JOB DUTIES:

With a shocking disregard for Zlotnicki's version of the material facts and the testimony elicited from Zlotnicki's supervisor, both part of the record and both apparently ignored, the Court of Appeals for the Third Circuit reached the following erroneous conclusion in it's opinion:

> "Harsco assigned Zlotnicki to a team structured to conceptualize the development of the needed "launcher." Zlotnicki's assigned role in the early development process is a matter of dispute, but he did perform mathematical calculations that demonstrated that existing launchers were technically

incapable of meeting the RFP requirements." (App. B-3)

Given that the premise recited by the court i.e. that he was assigned to said team, is a basis for the Summary Judgment motion in that invention in the course of employment is an essential element of the finding, and given that Zlotnicki's contrary presentation of facts is the criteria by which the Court should have determined the appropriateness of Summary Judgment (Id.at 18-21), said Judgment in favor of Harsco should be reversed.

Furthermore, even if Zlotnicki was assigned to a team (which he was not) and if his assignment was to do some calculations on an existing army launcher - it is unreasonable to assume that the result of such a calculation would be a completely new mechanism. At best, a result of Zlotnicki's work was an opinion that the existing launcher would not work.

HARSCO'S LINE OF BUSINESS

HARSCO'S POSITION ON ITS LINE OF BUSINESS:

In their statement of material facts Harsco states that it is engaged in the concept, design and manufacture of military tracked vehicles. (App. J-#1) It is important to note that the bridge launcher invented by Zlotnicki is not a vehicle.

ZLOTNICKI'S POSITION ON HARSCO'S LINE OF BUSINESS

Zlotnicki's statement of material facts (App. K) states, inter alia, that while it is true that Harsco is engaged in the manufacture of military track vehicles, Harsco was not engaged in the "concept" and "design" of military track vehicles. (App. K-#1). Zlotnicki asserts, to the contrary, that Harsco is a build-to-print house and does some re-design work of already existing vehicles, but no original design work. (See also App. G-#6,7,8)

COURT'S POSITION ON HARSCO'S LINE OF BUSINESS

In granting Summary Judgment to Harsco, the Courts below made no mention whatsoever as to what Harsco's line of business even was.

It is Zlotnicki's position that if the Court has not indicated what Harsco's line of business is, and Zlotnicki has stated that it was not in Harsco's line of business to design or concept or invent but rather build-to-print vehicles (and a launcher is not a vehicle), and since it is undisputed that Zlotnicki designed and invented his launcher (not a vehicle) at home where he worked for himself, after work hours for Harsco, with nothing belonging to Harsco (App. G-#34; H-3; K-#8-10), and since Zlotnicki's version of the facts is to be taken as true, then Summary Judgment is inappropriate in that the Agreement on which Summary Judgment is based cannot be dispositive of this invention if there is not first a determination of whether

Zlotnicki was in the course of his employment when the invention was invented - as the Agreement mandates that - and Zlotnicki claims and asserts he was not.

LACK AND FAILURE OF CONSIDERATION FOR THE INVENTION

HARSCO'S POSITION AS TO WHETHER ZLOTNICKI RECEIVED CONSIDERATION:

In Harsco's Response to Zlotnicki's Statement of Material Fact, Harsco admitted paragraph 6 (App. M-#6) which states:

> Zlotnicki did not receive any additional compensation or other corresponding benefit or change in employee status as a result of his execution of the "Employee Agreement." (App. L-#6; M-#6)

ZLOTNICKI'S POSITION AS TO WHETHER HE RECEIVED CONSIDERATION:

In addition to Harsco's admission that Zlotnicki received no benefit as a result of signing the Employee Agreement, and Zlotnicki's assertion of same, Zlotnicki asserts that Harsco was, at the time of his hire, obligated to employ him for a reasonable period of time, and therefore continuation of employment with no other

benefit was not consideration for the signing of the Employee Agreement.

Zlotnicki provided consideration for the employment contract in the form of sacrificing other employment opportunities, abandoning his previous employment with Spring Garden College (App. B-2) and relocating his family to the York area from Philadelphia.

Therefore, Harsco already was obligated at initial employment to employ Zlotnicki at that juncture "for a reasonable period of time." Lubrecht v. Laurel Stripping Co., 42 Luz.L.Reg. 203 (1952); also McNulty v. Borden, Inc., 474 F.Supp. 1111 (E.D.Pa., 1979).

In February, 1983, the 1981 contract of employment was being performed, and he was performing his services, salary was being paid, and Harsco was already bound to employ Zlotnicki "for a reasonable period of time."

It follows then that on February 18, 1983, when the written agreement was ex-ecuted,

there was nothing left of the first agreement which could operate as consideration for the second. Neither a duty to keep Zlotnicki employed for a reasonable period of time nor salary already paid for past services could reasonably be considered as consideration for the new agreement...

> "Where a legal obligation exists, a cumulative promise to perform it, unless upon a new consideration, is a nullity. ... A promise cannot be conditioned on a promise to do a thing to which a party is already legally bound..." (Emphasis supplied)

Wimer v. Overseers, 104 Pa. 317, 320-321 (1883); Markson Brothers v. Redick, 66 A.2d 218 (Pa.Super., 1949).

Furthermore, a covenant contained in a written employment contract entered into, after employee's employment was fixed and complete by an oral agreement which did not provide for a later written agreement, and which agreement conferred no benefits on the employee, is invalid because contrary to public policy. W.N.O.W., Inc. v. Barr, et al, 77 York L. Record 174 (C.P. 1964) citing Markson, infra.

In Markson Bros. v. Redick, 66 A.2d 218 (Pa.Super, 1949), the Superior Court said at p. 220-221:

> "Defendant's verbal contract, being at will, did not substantially differ in the term of the employment from week to week, as provided by the written contract. The change therefore was neither a detriment to the plaintiff nor a benefit to the defendant and in itself did not supply a consideration for the written contract.
> ...
> ... the defendant failed to receive anything under the written contract which she did not already have under the verbal agreement. The obligation which plaintiff sought to impose on defendant under the writing, fell for lack of consideration and the court erred in treating it otherwise."

Continuation of employment, such employment already having been mutually bargained for, is not sufficient consideration to support an employee's assignment of invention or patent rights to an employer. Hewett v. Samsonite Corp., 32 Colo. App. 150, 507 P.2d 1119, 1121 (1973).

For the Court of Appeals to hold that Zlotnicki received this benefit at the time of signing the Agreement is a total missap-

prehension of the situation in view of the fact that Harsco was already bound to employ him for a reasonable period of time and Harsco admitted that no such consideration was given to Zlotnicki as a result of his signing the Agreement. (App. L-#6; M-#6). Furthermore, Zlotnicki's employment would have continued had he invented nothing.

THE COURT'S POSITION AS TO WHETHER THE ZLOTNICKI RECEIVED CONSIDERATION:

The Court has taken various positions with regard to the question of adequacy or even existence of consideration for the execution of the Agreement.

On May 4, 1983, the District Court stated in a Memorandum Opinion (App. F) with regard to this matter that it was "...unlikely that the employee agreement was executed ancillary to Zlotnicki's taking of employment or was accompanied by any change in employment status", citing Morgan's Home Equipment Corp. v. Martucci, 390 Pa. 618, 629, 136 A.2d 838, 845 (1957).

The District Court then went on to cite Capitol Bakers, Inc. v. Townsend, 426 Pa. 188, 231 A.2d 292 (1967), wherein the Pennsylvania Supreme Court found that

> "... a covenant in an employment contract executed twelve years after the initial taking of employment was not ancillary to the taking of employment and was without any change in employment status." (Emphasis added by the District Court). See also, Maintenance Specialties, Inc. v. Gottus, 314 A.2d 279 (Pa. 1967).

The District Court then went on to say that it

> "... seriously questions whether defendant's signing of the agreement on February 18, 1983 was ancillary to his taking of full time employment in early November 1982. If the signing of the agreement was not ancillary, the agreement will likely fail for lack of consideration since plaintiff admitted that defendant's salary increase and educational benefits were unrelated to defendant's signing of the agreement."

Thereafter, in an Opinion dated November 27, 1984, (App. D) in granting Harsco's Motion for Summary Judgment, the Court rejected the earlier analogy by the Court to cases dealing with restrictive covenants in

employment contracts. The Court then went on to say that the agreement was valid even though it was signed some 15 months after beginning of employment, and that a promise of continued employment is adequate consideration for the agreement. (App. D.8)

In light of the fact that Harsco admitted that Zlotnicki received no consideration or benefit for executing the agreement and given that Zlotnicki asserts the same thing, and given that disputed issues of material fact should be ascertained by resolving all inferences, doubts, and issues of credibility against the moving party (Ely, supra) which in this case is Harsco, and given the Court's function in considering a Motion for Summary Judgment is not to determine what the facts may be but whether any disputed material facts exist (Brown supra) - the Court abused its discretion in granting Summary Judgement in favor of Harsco.

TIME, PLACE AND CIRCUMSTANCES OF CONCEPTION AND INVENTION

HARSCO'S POSITION WITH REGARD TO TIME PLACE AND CIRCUMSTANCES OF CONCEPTION AND INVENTION:

Harsco stated in its Complaint, paragraph 5 that "On or about September, 1982, BMY assigned to Zlotnicki and several other BMY engineers the responsibility for designing a bridge launch mechanism..."

Thereafter in Harsco's Statement of Material Facts it is stated that "The four-bar linkage bridge launcher was conceived by Zlotnicki during his employment with Harsco;" (App. J-#12); denied in toto by Defenant (App. K-#12).

Harsco does not deny that Zlotnicki was the inventor of the four-bar concept (App. J-#8). Harsco did not verify allegations as to the time and place of invention, but merely concluded that it was during employment.

ZLOTNICKI'S POSITION WITH REGARD TO TIME, PLACE AND CIRCUMSTANCES OF CONCEPTION AND INVENTION:

It is undisputed that Zlotnicki invented the four-bar launcher alone on or about August 7-8, 1982 (App. K-#8; G-#34, 39). He further maintains in his Affidavit, (App. G-#42) that he conceived the invention on his own time, at home utilizing his own tools and materials over a weekend, and not at the direction of Harsco. (App. G-#33, 34) He also states that "no team 'brainstorming' committee, or any other combination of persons at BMY or elsewhere had anything to do with my invention." (App. G-#42)

Subsequently, in his Affidavit in Support of a Motion for Reconsideration, Zlotnicki stated the same facts (App. H-3-4).

THE COURT'S POSITION WITH REGARD TO TIME, PLACE AND CIRCUMSTANCES OF CONCEPTION

On August 30, 1983, the District Court issued a Memorandum Opinion (App. E) wherein it concluded that a material question of fact existed with regard to the problem Zlotnicki was allegedly assigned to solve and that this factual issue was central to

Harsco's alleged and asserted right of ownership of Zlotnicki's invention.

The Court pointed out that Zlotnicki disputed Harsco's factual contentions in his verified Memorandum in Opposition to Harsco's Motion for Summary Judgment and denied that he was assigned to a team of engineers and, denied that he was directed to develop, "concept" and design a bridge launch mechanism. The Court acknowledged Zlotnicki's contention that on his own time and without any obligation to do so, he conceived of a design for the bridge launch mechanism and voluntarily brought it to Harsco.

The Court found that the legal basis upon which Harsco could claim exclusive ownership required a finding that the specific problem covered by the invention was assigned to Zlotnicki, citing Koolvent Metal Awning Corp. v. Vamco Machine Co., 99 Pitts.L.J. 345 (Comm.Pl., 1951).

Thereafter, the Court concluded that a material question of fact existed with regard to Zlotnicki's job duties which mandated the denial of Harsco's Motion for Summary Judgment. (App. E-7)

Subsequent to the District Court's holding in its August 30, 1983 Memorandum (App. E) and without any "new" evidence, the Court issued a Memorandum Opinion (App. D) wherein it granted Summary Judgment.

The Court reached its conclusions based entirely on Harsco's contentions, ignoring not only Zlotnicki's Affidavit and Statement of Material Fact, but the prior opinion of the Court that stated that the precise problem Zlotnicki was assigned to solve was central to the resolution of Harsco's claim to ownership.

The Court thereafter in a subsequent Memorandum Opinion (App. C) stated that Zlotnicki "... may have established a genuine issue of fact ..." but that there

was "... no genuine issue of material fact; that is, a fact that affects the outcome of the litigation." (App. C-4)

If there is no determination that Zlotnicki was specifically assigned to solve a precise problem, the Court could not logically determine whether that problem was within the course of his employment. And further, it is without basis that the Court states "there can be no doubt that the invention resulted from, or was certainly suggested by his work for Harsco" (App. D-5) - when it is obvious and in the record that there is doubt - in fact - concrete evidence - that the invention did not result from nor was it suggested by his work for Harsco, which merely was to do a mathematical calculation.

What Zlotnicki was assigned to do, not what team he was or was not assigned to, is central to and necessarily preceding any determination as to the applicability of the

Employee Agreement to Zlotnicki's invention and the granting of Summary Judgment.

EMPLOYMENT AGREEMENT

HARSCO'S POSITION ON THE EMPLOYEE AGREEMENT

Harsco stated in its Complaint, paragraph 5, that Zlotnicki was assigned to design a bridge launch mechanism in September 1982. It is on the basis of this alleged assignment that Harsco claims that Zlotnicki's invention belongs to them. The Agreement which he signed requires that an employee be in the course of his employment in order for Harsco to obtain an invention by virtue of the agreement.

It is important to note that the September 1982 date given by Harsco in its Complaint is subsequent to the unchallanged invention date of August 7-8, 1982.

Seymour Bassman and Richard Koster, engineering managers at BMY, indicated in their depositions (Bassman Dep., 8; Koster Dep. 53, 54) that the Employee Agreement is

given to employees to sign at the time of hire, indicating Harsco's intention that the agreement have a prospective application.

Further corroborating Harsco's position and substantiating Zlotnicki's assertion that the Agreement was prospective in application is the testimony of Roger Snodgrass, Harsco/BMY's Vice President for Employee Relations and Administration, who swore to the truth of the following statements made at a hearing held on June 1, 1983 in a matter ultimately disposed of by the Commonwealt Court of Pennsylvania (App. I) in Zlotnicki's favor.[2] Unemployment

---

2 Q. All right. Now, Mr. Snodgrass, are you informing (inaudible) that all employees sign assignment agreements or otherwise they are not placed on the payroll?

A. I'm saying as far as the company is concerned this is a condition of employment.

Q. And from an employee relations point of view, since it is a condition of employment, isn't it something that the emloyee is informed of at the time of time.

A. That's our standard procedure.

Q. Well, would you agree with me that the assignment agreement from the point of

Compensation Board of Review Hearing of June 1, 1983, NT. 22a, 23a. (See App. I)

ZLOTNICKI'S POSITION ON THE EMPLOYEE AGREEMENT

The only logical and reasonable reading of the Employee Agreement is one giving a prospective application to its terms. Only the most strained and unreasonable reading completely disregarding intended application, actual application and rules of grammar could possibly support the conclusion that the Agreement was to be applied retrospectively.

---

view of B.M.Y. would be an important term and condition of employment?

A. Yes, sir, I would.

Q. And would you not agree that it is a term and condition that needs to be settled one way or the other with the employee?

A. Absolutely.

Q. And one that ought to be settled at the time of hire?

A. (Inaudible).

Q. And if not at the time of hire as soon as practical thereafter?

A. I would certainly agree with that, that is, as a matter of fact of what our policy (inaudible), that is, handled at the time of hire.

Firstly, the Agreement was signed a year and a half after Zlotnicki's hire. The Agreement was not a condition of his initial employment. Thus, when he signed said Agreement it could not reasonably be considered as an agreement which in any way related to past employment or the salary received in connection therewith. All other employees, and logically so, were asked to sign at the beginning of employment (see testimony of Bassman, Koster, and Snodgrass, supra). Certainly it is not logical that an employee would sign away his rights to an invention in consideration of wages he earned before inventing it.

Secondly, the language of the Agreement is obviously present and future tense, not past tense. A review of the Agreement is demonstrative. (App. N and P)

The preamble (overlooked by the Court) sets the tone for the entire Agreement. In the first sentence we see the words: "In

consideration of my employment with Harsco ..." This is entirely present tense with an implication of future tense. Zlotnicki already had employment with Harsco, without this agreement, and without the invention. The only reasonable and logical reading of this Agreement's wording would be to ascribe future implications because it is only in consideration of his future employment that it could have been signed.

The first sentence continues:

> "... and of the further continuation of such employment and of the salary and wages paid to me in connection with such employment ..."

The mere concept of "further continuation" clearly means in the future, not in the past -- and therefore the only reasonable and logical meaning would also be the "wages paid to me in continuation of such (future) employment". Correspondingly, "during my employment" means "during my (future) employment."

After the preamble, paragraph one begins "I will communicate ... all inventions ... which result from work I may do ..." (emp. sup.). If this were to relate to Zlotnicki's invention it more properly would have to state -- "... any work I may have done." However, these words were not used. "I will"and "I may do" indicates a clear intention for a future acts, and so this Agreement is clearly future tense exclusively.

Accordingly, paragraphs 1, 2, 3 and 4 are all exclusively and explicitly in the future tense, and paragraphs 5, 6, 7, and 8 are in the present and future tense.

It is extremely important to note that the invention in question at the time of the signing of this Agreement, had a name (4 Bar Bridge Launcher). Yet no mention was made of the invention at all, neither by name nor by concept.

This makes no sense if one tries to make this apply to Zlotnicki's past invention. Thus, it is patently clear that even under the most strained and unreasonable reading, the Agreement could not possibly relate to Zlotnicki's prior invention. The foregoing reasoning is identical to reasoning of the Rotary Lift Co. v. Clayton, 127 F.Supp. 176 (D.C. Mass. 1954, infra) (App. R).

In the instant case there is no dispute that this Agreement was exclusively drafted by Harsco and therefore must be construed in Zlotnicki's favor. Burns Manufacturing Co. v. Bohem, 356 A.2d 763 (Pa. 1976).

Furthermore, the Pennsylvania Supreme Court in White Heat Products Co. v. Thomas, 266 Pa. 551, 555 (1920) clearly mandated that:

> "...(I)n cases of this kind where the product of an inventive mind is said to be appropriated under an Agreement to assign to another, the language of the Agreement must be clear and show an unmistakable intention that the particular matter covered by the invention or patent is within the intention of the parties."

-- not one or the other -- but both. See also, Hirshhorn v. Mine Safety Appliances Co., 106 F. Supp. 594, 601 (W.D. Pa., 1952) aff'd 203 F.2d 279, cert. denied 349 U.S. 866 (1953).

Moreover, the Third Circuit Court of Appeals has long held in invention assignment cases that:

> "The bill being for the specific performance of the contract, such contract must be clearly and unequivocably proved, as stated. As proved, its terms as to subject-matter, consideration and all other essentials must be explicit and unambiguous." (Emphasis supplied)

Pressed Steel Car Co. v. Hansen, 137 F. 403, 406 (3rd Cir.) cert. denied, 199 U.S. 608 (1905).

It is obvious that the Harsco Agreement is a standard agreement. Harsco has referred to it throughout the case as the Standard Employee Agreement and the Court of Appeals even adopted Harsco's terminology (App. B-2). Harsco did not create this

Agreement to deal specifically with Zlotnicki's invention. It is also clear that this Agreement was made to be and is prospective and logically so since it was given to all other employees to sign at the time they were hired. (See also, Rotary Lift, App. R) The language talks only of future obligations and spells out nothing with particularity either in subject matter or applicability. Furthermore, even if the Agreement were retrospective, for which no logical, reasonable or equitable justification exists, there first must be proof that invention was conceived during and within the course of employment, and that there was a duty to assign at the time of invention. This is a jury question which has been usurped and decided by the Court erroneously.

Lastly, in construing the assignment, the whole instrument must be considered and a meaning given to each part, when possible,

that is consistent with the meaning of every part, and

> "When an assignment of a patent is susceptible of two constructions and is made so by the ambiguity of its words, the rule is well established that it should be given that construction which prevails most strongly against the party responsible for its terms and chargeable with its obscurity." (Emphasis supplied)

Lock Joint Pipe Co. v. Melber, 234 F 319, 324 (CA 3, 1916)

THE POSITION OF THE COURT ON THE EMPLOYEE AGREEMENT

In its Opinion dated November 27, 1984, the District Court held:

> "We find that there is no genuine issue of material fact concerning the execution of this agreement, see Fed. R. Civ.P. 56(c) and grant Summary Judgment in favor of Harsco."

(App. D-1-2)

In spite of the Court's recognition that there was a dispute whether Zlotnicki was instructed to develop this idea, dispute as to Zlotnicki's exact role in development, and whether Harsco gave Zlotnicki any assistance, the Court concludes that the

invention is covered by paragraph one of the agreement (App. D-4-5)

The Court, in spite of Zlotnicki's sworn affidavit that he invented the launcher at home, on his own time, with his own materials, and under no order or direction from the Harsco, erroneously concludes:

> "... it was created during the time he was employed by Harsco although Zlotnicki may have devoted some of his own time to developing it." (App. D-5)

The Court goes on to reject Zlotnicki' assertion that this Agreement should be prospectively applied (App. D-5) in spite of the fact that, a) it is the only logical reading of the agreement, b) it is prospective for all other employees, and c) all other employees received the agreement at the time of hire.

In spite of that the court "... concluded that Zlotnicki's interpretation was not a reasonable one," in its Opinion dated February 13, 1985. (App. C-20)

On appeal, it is of particular importance to note that the Court of Appeals did not address the issue of what "during (his) employment" actually means in this case. Unless it can be shown that Zlotnicki's invention was made "during (his) employment" and "within the scope of employment" and that he had either a duty to invent or a duty to assign at the time of invention, then irrespective of whether the Agreement is applied prospectively (as Zlotnicki, logic, his superiors, and custom at Harsco asserts it should be) or retrospectively, it cannot be applied to Zlotnicki without first having a determination as to the underlying basis of its applicability to this particular invention, and this particular inventor.

Without determining this issue, the Court of Appeals should not have been able to conclude that the Agreement applied to Zlotnicki's invention.

Further, the Courts below dismissed without discussion Zlotnicki's unopposed statement that it was his intention and understanding that the Agreement was not retroactive and that it did not reach the launcher invention, (App. K-#16, 17; G-#51) in spite of case law which states that: "The primary rule of construction of an agreement is that the intent of the parties is controlling," and that intention is for jury determination. Pickens v. Cunningham, 22 D&C 3d 40, 45 (C.P. Mercer, 1981). See also: Slonaker v. P.G. Pub. Co., 338 Pa. 292, 13 A.2d 48, 50 (1940). Thus, Zlotnicki was deprived of having a jury's determinatin of this issue in violation of his constitutional right (Amm't VII).

Prior to Zlotnicki's execution of the Agreement the invention had been known by its particular name and line drawings and both written and verbal description

existed. The requirement of the Supreme Court of Pennsylvania is that "the "particular matter covered by the invention or patent (be) within the intention of the parties." White Heat Products, supra Zlotnicki clearly alleged that his intention was that the launcher not be covered by the Agreement (App. K-#16, 17; Answer to the Complaint Sec. 8) The writer of the Agreement (Harsco) could have named the invention to indicate that the launcher was intended to be subject to the Agreement.

In the closely analogous decision of Rotary Lift supra (App. R, infra) the trial court ruled that an Agreement to assign did not apply to an invention conceived prior to the execution, and especially when signed by an employee a long time after first being hired. (Emphasis supplied)

It is instructive here to review the Rotary Lift Court's analysis of the facts and interpretation of the Assignment Agreement contained in Appendix R, infra.

The Court apparently applied the legal principal that "equity will lend its aid only in enforceing those terms which the parties themselves have made clear and definite", citing Monsanto Chemical Works v. Jaeger, 31 F.2d 188, 191 (W.D.Pa., 1929).

In both cases, the language was drafted by the employer, and the agreements were executed after commencement of employment, and after the invention was created.

For comparison purposes, the Rotary Lift case is extremely close to the facts of the instant case, and therefore, the Rotary Lift analysis should be followed.

Paragraph 1 of Employee Agreement states that the employee will communicate to Harsco "... all inventions made or conceived by me during my employment ..." (Note: passive voice). In Rotary Lift, the Agreement stated "... inventions conceived or developed by me during the entire term of my employment ... and for a period of one year

thereafter ..." 127 F.Supp. at 177. (Emphasis added) We note that the Court of Appeals ascribed the "entire term" to Zlotnicki's Agreement. (App. B-7)

The Pennsylvania Courts have closely scrutinized the business of an employer as compared to the nature of the inventon of the employee. See White Heat Products Co. v. Thomas, supra 109 A. at 686; Triumph Electric Co. v. Thullen, 228 F. 762, 235 F. 74, 75 (3d Cir. 1916), where the Circuit Court noted that the resolution of the fine and technical distinctions by the parties are questions of fact.

The same kinds of distinctions are present in this case. Thus, it is error to give retroactive effect to the Employee Agreement, when that remains substantially undefined and when there is a substantial dispute over the meaning of these terms, a dispute which is the province of a jury.

Lastly, Courts below failed to recognize that the text of the Agreement presented to the Courts by Harsco as the only document Zlotnicki signed, was not an agreement to anything. On February 11, 1983, Zlotnicki agreed to sign the Harsco Agreement only if his reservations, which Harsco instructed him to attach, were either approved or negotiated (App. K-#16, 17; Koster Dep. 80, 85; Bassman Dep. 48-50, 78; Jairett Tr. 39, 42, 65, 69, 75). The Agreement Zlotnicki signed consisted of not only the Harsco Standard Agreement but Zlotnicki's reservations solicited by Harsco and attached to the Agreement, also signed by Zlotnicki with the understanding that Harsco did not have the option to reject his version of the Agreement, but could either approve it or further negotiate it. The Courts below never reviewed the entire Agreement Zlotnicki signed; the Courts only reviewed the first page of this Agreement,

which still was subject to negotiation, and by no means was a final one. Harsco's removing the second and third pages of the Agreement that Zlotnicki allegedly agreed to and then seeking the enforcement of only page one - when it was at Harsco's insistance that Zlotnicki attach his objections - his own version of the Agreement, also signed, certainly led the Commonwealth Court of Pennsylvania, which was possessed of a substantially similar record (including the Transcript of Preliminary Injunction Hearing in the District Court, up to the Court of Appeals decision) to draw the reasonable conclusion that:

> "The fact that claimant was terminated so soon after he signed the agreement was certanly relied upon by the Board in adjudging the credibility of the claimant and resolving conflicts in the testimony. Such an action is

substantial evidence, one inference from which is that the termination was not the result of claimant's misconduct but the culmination of a premeditated course of action engaged in by BMY to gain all rights to the device and drive claimant from his livelihood." (Emphasis supplied) (App. I-20 n.10)

It is striking and shocking that two courts came to such different conclusions having essentially the same evidence and facts available. This alone should provide justification for the Supreme Court to reverse the lower Courts' decisions and remand the case to a District Court.

CONCLUSION

For these reasons, a Writ of Certiorari should issue to review the Summary Judgment and Opinions of the Courts below.

Respectfully Submitted,

ROBERT B. B. SCHATZ & LAWRENCE CORSON

APRIL 23, 1986

85 - 1807

Supreme Court, U.S.
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APR 23 1986
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CLERK

NO. _____

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1985

LUCJAN ZLOTNICKI
(Defendant) PETITIONER

V.

HARSCO CORPORATION
(Plaintiff)

APPENDIX
TO PETITION FOR A WRIT OF CERTIORARI
TO THE THIRD CIRCUIT COURT OF APPEALS

Petitioner's
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EDITOR'S NOTE

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APPENDIX A

APPENDIX A

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 85-5149

HARSCO CORP.

v.

LUCJAN ZLOTNICKI,
Appellant

(Civil Action No. 85-0384--M.D.Pa.-Scranton)

SUR PETITION FOR REHEARING

PRESENT: ALDISERT, Chief Judge, SEITZ, ADAMS, GIBBONS, HUNTER, WEIS, GARTH, HIGGINBOTHAM, SLOVITER, BECKER, STAPLETON, MANSMANN, and ROSENN, Circuit Judges.

The petition for rehearing filed by appellant in the above entitled case having been submitted to the judges who participated in the decision of this court and to all the other available circuit judges of the circuit in regular active service, and no judge who concurred in the decision having asked for rehearing, and a majority of the circuit judges of the circuit in regular active service not having voted for rehearing by the court in banc, the petition

for hearing is denied.

By the Court,

_____

DATED: January 23, 1986

APPENDIX B

APPENDIC B

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

NO. 85-5149

HARSCO CORP.

v.

LUCJAN ZLOTNICKI,

Appellant

Appeal from the United States
District Court for the
Middle District of Pennsylvania - Scranton
D.C. Civil No. 85-0384

Argued November 6, 1985
Before: SEITZ, WEIS, and ROSENN,
Circuit Judges
(Filed December 17, 1985)

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OPINION OF THE COURT

ROSENN, *Circuit Judge.*

Harsco Corporation initiated an action in the United States District Court for the Middle District of Pennsylvania against Lucjan Zlotnicki, a former employee, seeking, *inter alia*, a declaratory judgment as to the ownership of an invention conceived and developed by Zlotnicki during his employment with Harsco. The district court granted summary judgment in favor of Harsco and denied Zlotnicki's motion for reconsideration. Zlotnicki appeals and we affirm.[1]

I.

The following undisputed facts are set out in Harsco's statement of material facts in the district court and Zlotnicki's statement in opposition thereto. In November 1981, Bowen-McLaughlin-York (BMY), a division of Harsco (also referred to collectively as "the Company"), hired Zlotnicki, then an adjunct professor at Spring Garden College, as a "staff engineer." At that time, the parties did not discuss the execution of an employment agreement, even though Harsco generally required each new employee to sign such an agreement. The standard agreement assigns Harsco patent rights to any inventions an employee conceives during and within the scope of employment. After commencing work for Harsco, Zlotnicki refused to sign the standard agreement because he objected to several provisions, including the assignment of rights to inventions without any added compensation therefor

1. The district court exercised jurisdiction based on 28 U.S.C. § 1332 (1982) (diversity of citizenship). This court has jurisdiction pursuant to 28 U.S.C. § 1291 (final judgment of the district court).

to the employee. He eventually signed the agreement on February 18, 1983, under circumstances that form the background of these proceedings.

In late July 1982 BMY decided to respond to a United States Army request for a proposal (RFP) to build an assault bridge. The RFP contained specifications for a longer assault bridge than had previously existed, and required a device capable of launching such a bridge. Harsco assigned Zlotnicki to a team structured to conceptualize the development of the needed "launcher." Defendant's assigned role in the early development process is a matter of dispute, but he did perform mathematical calculations that demonstrated that existing launchers were technically incapable of meeting the RFP requirements. Zlotnicki stated in his affidavit in opposition to Harsco's motion for summary judgment that he was fascinated by the problem and at home

> my curiosity led me to play with some designs on my own, and as a result, I invented what I called the four-bar bridge launcher. I did this at home, with my tools, and used nothing that belonged to the Plaintiff. I made a design sketch, and I prepared a technical description with the intention of seeking a patent.

He then stated that upon returning to the plant following his weekend activity on his bridge-launcher he informed BMY that he had an idea and a sketch that he thought would produce a launcher capable of meeting the specifications of the RFP. After initially rejecting it, BMY accepted the design and the Army selected BMY to build a launch mechanism using Zlotnicki's design.

On February 8, 1983, Zlotnicki learned that Harsco planned to publicly circulate illustrations of his invention. He sent a memorandum to the BMY chief

engineer, stating that the illustrations could not be released without his permission and that such circulation would invalidate his patent application.

Defendant met on February 11, 1983, with the BMY director of engineering and other BMY superiors. They told Zlotnicki that if he did not sign the standard employment agreement they would terminate his employment. Although he had an opportunity to consult with his attorney, Zlotnicki reluctantly signed the standard agreement on February 18, 1983. He attached a copy of his proposed alternate agreement to the executed Company standard agreement, but Harsco never signed the alternate agreement. Harsco bases its right to the launcher design primarily on the employment agreement.

In March, Zlotnicki filed a patent application for the launch mechanism. On March 23, 1983, Zlotnicki's attorney drafted a letter that he addressed to the United States Army and in which he advised it that the patent to the bridge-launcher mechanism was in dispute. The letter was never mailed, but Zlotnicki's attorney read it over the telephone to the president of BMY. On March 24, 1983, BMY invited the attorney to its headquarters. Upon his arrival, he learned that the Company had terminated Zlotnicki that afternoon and that a judge of the United States District Court for the Middle District of Pennsylvania was on the telephone to inform him of a temporary restraining order against Zlotnicki.

On March 31, 1983, Harsco filed its complaint seeking a declaratory judgment as to ownership of the invention and injunctive relief against disclosures of confidential information by Zlotnicki. Harsco claimed the invention under both the signed employment agreement and the common law right of an employer to its employees' inventions. On May 4, 1983, the court

issued a preliminary injunction in favor of Harsco. The court based its order on a provisional finding that Harsco owned the launch mechanism because of the common law right of an employer to inventions created in the course of employment by an employee assigned to solve a specific mechanical problem. The court did not rely on the employment contract.

On May 26, 1983, Harsco moved for summary judgment based on its common law right to the invention. The court denied plaintiff's motion because it found that there was an unresolved issue of material fact regarding the precise problem Harsco had assigned Zlotnicki to resolve.

Several months later, Harsco filed a second motion for summary judgment, this one based upon the standard employment agreement. By memorandum and order of October 24, 1984, the district court held that the legal issues raised by Harsco's last motion were appropriate for summary judgment. The court set a briefing schedule and Zlotnicki filed a brief in opposition to the motion, but submitted no additional affidavit or other evidence. On November 8, 1984, Zlotnicki filed a motion for partial summary judgment based on the unenforceability of the employment agreement. The court granted Harsco's motion for summary judgment and denied Zlotnicki's motion. Judgment was entered on November 27, 1984.

On December 6, 1984, Zlotnicki filed a motion for reconsideration which he later supported with a lengthy affidavit. He did not, as required by local Rule 603 of the district court, state why the evidence contained in the affidavit could not have been presented prior to summary judgment. By memorandum and order entered February 13, 1985, the court denied the motion for reconsideration. Zlotnicki appealed.

7

II.

Zlotnicki argues that the district court erred in denying his motion for reconsideration of the summary judgment order. Our review of the district court's denial of the motion is limited to determining whether the trial court abused its discretion. *Slater v. KFC Corporation*, 621 F.2d 932, 933 (8th Cir. 1980). The purpose of a motion for reconsideration is to correct manifest errors of law or fact or to present newly discovered evidence. *Keene Corp. v. International Fidelity Insurance Co.*, 561 F. Supp. 656, 665 (N.D. Ill. 1983). Where evidence is not newly discovered, a party may not submit that evidence in support of a motion for reconsideration. *DeLong Corp. v. Raymond International Inc.*, 622 F.2d 1135, 1139-40 (3d Cir. 1980). When Zlotnicki moved that the district court reconsider its summary judgment order, he argued that the court had erred, but he submitted no new evidence. He filed only his own affidavit containing evidence that was available prior to the summary judgment. The district court appropriately did not consider the affidavit in its disposition of the motion for reconsideration and merely reviewed its summary judgment for error. Therefore, we now address the district court's action in granting the underlying summary judgment.

Our standard of review is whether the district court erred as a matter of Pennsylvania law in interpreting and applying the employment agreement and entering summary judgment for the plaintiff. *In re Japanese Electronic Products Antitrust Litigation*, 723 F.2d 238, 257 (3d Cir. 1983), *cert. granted in part sub nom. Matsushita Electric Industrial Co. v. Zenith Radio Corp.*, 53 U.S.L.W. 3702 (U.S. April 2, 1985). There is no dispute between the parties that Pennsylvania law governs and we independently review the district court's reading of Pennsylvania law. *See*

William B. Tanner, Inc. v. WIOO, Inc., 528 F.2d 262, 266 (3d Cir. 1975). Zlotnicki argues that summary judgment was inappropriate because the agreement was unenforceable both for lack of consideration and because he signed it under duress. He also argues that the district court erred in applying the employment agreement to an invention conceived over six months prior to the execution of the agreement. We turn to this contention first.

A.

In his brief in opposition to plaintiff's motion for summary judgment, Zlotnicki stated that when he executed the agreement, he did not intend its scope to reach the launcher. The district court refused to consider Zlotnicki's subjective reading of the agreement and held that the agreement applied retroactively because its first paragraph contains the language "during employment."

On appeal Zlotnicki relies on *Rotary Lift Co. v. Clayton*, 127 F. Supp. 176 (D. Mass. 1954), to support his prospective reading of the agreement. His reliance is misplaced. First, *Rotary Lift* does not apply Pennsylvania law. Second, the language in *Rotary Lift* differed from that in the Harsco agreement and, through use of the future tense, dictated only prospective relief. The Harsco agreement, on the other hand, used present and past tenses and referred to Zlotnicki's entire term of employment. The district court's interpretation of the contract as retrospective is not erroneous.

Second, Zlotnicki asserts that the agreement is unenforceable because the only consideration provided by Harsco was the continuation of Zlotnicki's employment. He argues that, under Pennsylvania law, such consideration is insufficient to support a patent assignment contract, and supports his argument with

a Pennsylvania trial court decision in *A.B.L. Liquidating Co. v. McCabe*, 62 Pa. D. & C. 2d (Bucks C.P. 1973). That decision is inapposite, however, because the employment agreement in that case specifically excluded "all inventions which I made prior to the date of this Agreement." *Id.* at 33.

When, as in this case, we can turn to no holding of the state's highest appellate court, we may look to other sources for guidance.

> In the absence of an authoritative pronouncement from the state's highest court, the task of a federal tribunal is to predict how the court would rule. To make this prognostication, we are not inflexibly confined by dicta or by lower state court decisions, although we should look to such statements as indicia of how the state's highest court might decide. [Citation omitted.] The policies underlying the applicable legal doctrines, the doctrinal trends indicated by these policies and the decisions of other courts may also inform our analysis.

Pennsylvania Glass Sand Corp. v. Caterpillar Tractor Co., 652 F.2d 1165, 1167 (3d Cir. 1981). *See, e.g., McKenna v. Ortho Pharmaceutical Corp.*, 622 F.2d 657, 662 (3d Cir.), *cert. denied*, 449 U.S. 976 (1980).

Recognizing the lack of Pennsylvania law in support of his position that consideration was inadequate, Zlotnicki urged the district court to analogize to Pennsylvania law on restrictive covenants in employment contracts. Pennsylvania has long established that a covenant that prohibits an employee from competing with an employer after the termination of their business relationship is enforceable only if it is ancillary to the beginning of employment or is supported by new consideration. *Maintenance Specialties, Inc. v. Gottus*, 455 Pa. 327, 314 A.2d 279,

281 (1967). Zlotnicki argued that this principle should apply to patent assignments as well. The district court rejected Zlotnicki's analogy. It concluded that restrictive covenant cases differ from assignments of patent rights because restrictive covenants hamper a person's ability to earn a living, whereas patent assignments affect only property rights to patents. The district court did not err in refusing to apply the rationale of the restrictive covenant cases and in rejecting the plaintiff's assertion that Pennsylvania courts "equate patent and invention assignment agreements . . . to restrictive covenants in employment agreements."

> Pennsylvania courts define consideration as benefit to the party promising or a loss or detriment to the party to whom the promise is made [citations omitted] as long as the promisee in return for the promise does anything legal which he is not bound to do or refrains from doing anything which he has a right to do, whether there is any actual loss or detriment to him or actual benefit to the promisor or not.

TMA Fund, Inc. v. Brever, 380 F. Supp. 1248, 1253 (E.D. Pa. 1974), *aff'd mem.* 532 F.2d 747 (3d Cir. 1976).

When the parties both signed the standard employment agreement without stating any definite period of time, and Zlotnicki agreed that any inventions resulting from his work with Harsco would remain its sole and exclusive property, Harsco bound itself under Pennsylvania law to employ Zlotnicki for a reasonable period of time. Williston succinctly states the rule, as applied by the Pennsylvania Supreme Court, in these words:

> It is the settled law of agency that if the agent or

> employee furnishes a consideration in addition to his mere services, he is deemed to have purchased the employment for at least a reasonable period of time where the duration of employment is not otherwise defined.

S. Williston, W. Jaeger, *A Treatise on the Law of Contracts* § 1017A (3d ed. 1967). We had occasion in *Bravman v. Bassett Furniture Industries, Inc.*, 552 F.2d 90 (3d Cir. 1977), to consider the question under Pennsylvania law of the duration of an employment contract which contained no specific provision for the term of employment. Ordinarily, it is presumed to be terminable at will. *Slonaker v. P.G. Publishing Co.*, 338 Pa. 292, 13 A.2d 48, 51 (1940). When, however, there is "a showing that an employee has rendered such additional consideration, e.g., sacrificing other employment opportunities, the duration of the employment contract is deemed to be for a reasonable period of time." *Bravman*, 552 F.2d at 93. We therefore hold that Harsco's agreement to employ Zlotnicki for a reasonable period of time provided adequate consideration for the agreement. *See Hebbard v. American Zinc, Lead & Smelting Co.*, 161 F.2d 339, 344-45 (8th Cir. 1947) (employee signed contract containing assignment of patent rights in exchange only for his continued employment).[2]

---

2. The district court stated that if the promise of continued employment did not constitute consideration for the agreement, the agreement was enforceable under the Uniform Written Obligations Act, Pa. Stat. Ann. tit. 33, § 6 (Purdon 1967). Zlotnicki argues on appeal that the language in the agreement does not satisfy the requirements of the Uniform Written Obligations Act because it did not contain the express words or the equivalent that the parties "intended to be legally bound." Because of our disposition of the case, we do not reach this issue.

B.

Zlotnicki next argues that the district court erred in refusing to recognize his economic duress defense to the employment agreement. In Pennsylvania,

> [d]uress exists whenever one person, *by the unlawful act of another*, is induced to enter into contractual relations under such circumstances as to indicate that he has been deprived of the exercise of free will . . . .
>
> * * *
>
> Business compulsion is a species of duress, not the common law duress, but duress clothed in modern dress, and for this reason the early common law doctrine of duress has been expanded to include business compulsion.
>
> Business compulsion is not established merely by proof that consent was secured by the pressure of financial circumstances, but a threat of serious financial loss may be sufficient to constitute duress and to be ground for relief *where an ordinary suit at law or equity might not be an adequate remedy.*

Litten v. Jonathan Logan, Inc., 286 A.2d 913, 917-18 (1977) (footnotes omitted, emphasis in original). The court also stated that economic duress is present only if the defendant "bring[s] about the state of financial distress in which plaintiffs [find] themselves at the time of signing." *Id.* at 917.

In the instant case, Zlotnicki failed to plead duress, although it is an affirmative defense. The district court decided the duress issue based only on Zlotnicki's contentions in his opposition to Harsco's motion for summary judgment. Zlotnicki alleged that

"[o]n February 11, 1983, defendant was humiliated, harassed, cursed at and threatened by plaintiff's employees, to force defendant to sign the Employment Agreement against his will. Defendant was told he would, in addition to suffering other harms, be fired if he did not sign." Zlotnicki offered no evidentiary support for this contention. The court concluded that Zlotnicki was not the victim of economic duress because the situation that caused him to fear the loss of his job -- the need to support his wife and child -- was of his own making. Harsco did not manipulate his financial circumstances to render him more susceptible to economic pressure. *See Reed v. Smithkline Beckman Corp.*, 569 F. Supp. 672 (E.D. Pa. 1983) (general financial pressure of the marketplace and plaintiff's need to support herself and her son do not constitute duress).

The district court also noted that Zlotnicki had an opportunity to consult his attorney before signing the agreement. The court, invoking the principle that the opportunity to consult counsel vitiates a duress defense, concluded that this further weakened Zlotnicki's position. Zlotnicki now asserts that the courts have never applied this principle to economic duress. In fact, courts have regularly invoked the principle in cases involving alleged economic duress. *See Three Rivers Motor Co. v. Ford Motor Co.*, 552 F.2d 885, 893-4 (3d Cir. 1975); *Reed v. Smithkline Beckman Corp.*, 569 F. Supp. 672, 675 (E.D. Pa. 1983); *Carrier v. William Penn Broadcasting Co.*, 233 A.2d 519, 521 (1967); *Smith v. Lenchner*, 205 A.2d 626, 628 (1964). Further, *Litten v. Jonathan Logan* does not, as Zlotnicki asserts, reject this principle. Rather, it holds that, in the context of *Litten*, the presence of counsel did not help the plaintiffs. *Litten*, 286 A.2d at 917.

The district court committed no error in holding

that the facts pleaded by Zlotnicki did not constitute economic duress under Pennsylvania law.

III.

In summary, we conclude that Zlotnicki failed to raise a genuine issue of material fact that would preclude award of summary judgment in Harsco's favor.[3] The district court did not err in entering summary judgment for Harsco and in denying Zlotnicki's motion for reconsideration.

The judgment of the district court will be affirmed.

---

3. Zlotnicki also has a suit pending in the United States District Court for the Middle District of Pennsylvania, No. 84-0405, which he initiated against Harsco and BMY for wrongful discharge. The district court stayed this action. That case is not before us and we do not address it.

A True Copy:

Teste:

Clerk of the United States Court of Appeals
for the Third Circuit

APPENDIX C

APPENDIX C

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

HARSCO CORP., Plaintiff	:	
vs.	:	CIVIL ACTION
	:	NO. 83-0384
LUCJAN ZLOTNICKI, Defendant	:	

M E M O R A N D U M

Pursuant to Fed. R. Civ. P. 59(e), defendand, Lucjan Zlotnicki, has moved us to reconsider our memorandum and order, dated November 27, 1984, granting plaintiff, Harsco Corporation (Harsco), summary judgment and denying defendant partial summary judgment. In the context of this declaratory judgment action, our order gave Harsco sole legal ownership of a "four-bar linkage bridge launcher," invented by Zlotnicki during the time he was employed by Bowen-McLaughlin-York (BMY), Harsco's subsidiary. Defendant's motion may be considered as a motion to alter or amend the judgment. See DeLong Corporation v. Raymond International, Inc., 622 F.2d 1135,

1138 n.2 (3d Cir. 1980). As such, it is addressed to our sound discretion. See Quality Prefabrication, Inc. v. Daniel J. Keating Co., 675 F.2d 77 (3d Cir. 1982); Florencio Roman, Inc. v. Puerto Rico Maritime Shipping Authority, 454 F.Supp. 521 (D. P.R. 1978). For the reasons set forth below, we deny the motion for reconsideration.

The Third Circuit Court of Appeals has stated the well established standard by which motions for summary judgment are tested as follows:

> Rule 56 of the Federal Rules of Civil Procedure provides that a trial court may enter summary judgment "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." We have characterized summary judgment as "'a drastic remedy'", and have made clear "that courts are to resolve any doubts as to the existence of genuine issues of fact against the moving parties." Ness v. Marshall, 660 F.2d 517 at 519 (3d Cir. 1981) (quoting Tomalewski v. State Farm Life Insurance Co., 494 F.2d 882, 884 (3d Cir. 1974)). Moreover, "[i]nferences contained in the evidential sources

> submitted to the trial court must be viewed in the light most favorable to the party opposing the motion." Goodman v. Mead Johnson & Co., 534 F.2d 566, 573 (3d Cir. 1976), cert. denied, 429 U.S. 1038, 97 S.Ct. 732, 50 L.Ed.2d 748 (1977).

Hollinger v. Wagner Mining Equipment Co., 667 F.ed 402, 405 (3d Cir. 1981) (brackets in original). In granting plaintiff summary judgment we did not violate this standard despite the "drastic" nature of the remedy.

A. Alleged Error In Drawing Conclusions That Were Not Admitted By Defendant Or Supported By The Record

Defendant claims we erred in stating the following in our prior memorandum: (1) defendant was hired "as an engineer", and (2) defendant performed "engineering calculations" for the "L-foot" bridge launch mechanism. BMY used this design before defendant invented the four bar bridge launch mechanism. Defendant also objects to the following conclusions we reached: (1) that the invention resulted from, or was certainly suggested by, defendant's work for Harsco;

(2) that it was created during the time he was employed by Harsco although he may have devoted some of his own time to develop it, and (3) that the agreement sought only an ownership interest in defendant's inventions resulting from his exposure to engineering problems while in plaintiff's employ.

Zlotnicki believes that these alleged errors, among others he has not specified, show that we do not understand this case or the "specialized terminology used by the parties." He has concluded that we mistakenly believe that his job was to create inventions for plaintiff and that we think our summary judgment order simply granted plaintiff a shop right in the invention.

In connection with the first two allegedly erroneous assertions, defendant may have established a genuine issue of fact concerning their accuracy but summary judgment may be granted when there is no genuine issue of material fact; that is, a fact that affects

the outcome of the litigation. See Associated Film Distribution Corp. v. Thornburgh, 520 F. Supp. 971 (E.D. Pa. 1981), rev'd on other grounds, 683 F.2d 808 (3d Cir. 1982). The factual disputes raised by defendant as to whether he was hired as a "staff" engineer rather than as an engineer as we stated and whether he was performing"moment" calculations rather than engineering calculations are irrelevant to the ultimate disposition of this case which turns on an interpretation of the Harsco employee agreement relating to inventions. As stated in our previous memorandum, and as detailed again below, this agreement is broad enough to cover defendant's inventive activities here regardless of how they are characterized.

B. The Agreement Was Binding Upon The Defendant Even Though It Was Not Executed Ancillary To The Taking of Employment.

Defendant reiterates his argument that the assignment agreement is not binding upon him because its execution was not ancillary

to the beginning of his employment or accompanied by a change in employment status. He claims that we erred in refusing to analogize to George W. Kistler, Inc. v. O'Brien, 464 Pa. 475, 347 A.2d 311 (1975), and Maintenance Specialities, Inc. v. Gottus, 455 Pa. 327, 314 A.2d 279 (1967), which dealt with restrictive covenants in employment contracts prohibiting the employee from working for a certain period of time in the employer's geographic location following the termination of employment. Defendant points to two state trial court decisions which have applied those cases to invention assignment agreements, ABL Liquidating Co. v. McCabe, 62 Pa. D.& C.2d 29 (Bucks Co. 1973) and AMP Inc. v. McCaughey, 38 Pa. D.& C.2d 109 (Luzerne Co. 1966). Because our prior explanation did not satisfy defendant, we will explore in greater detail the reasons why we rejected his argument on this issue.

> In the absence of an authoritative pronouncement from the state's

> highest court, the task of a federal tribunal is to predict how that court would rule. To make this prognostication, we are not inflexibly confined by dicta or by lower state court decisions, although we should look to such statements as indicia of how the state's highest court might decide. [citation omitted].

Pennsylvania Glass Sand Corp. v. Caterpillar Tractor Co., 652 F.2d 1165, 1167 (3d Cir. 1981) (brackets added). Under this standard, trial courts' decisions, such as those cited by defendant, are entitled to some weight but do not control our disposition of the instant case. See Carpenters Health and Welfare Fund v. Kenneth R. Ambrose, Inc., 727 F.2d 279 (3d Cir. 1983).

We carefully reviewed the trial court decisions. We found them unpersuasive in the context of this case. In ABL Liquidating Co., plaintiff initially sought an injunction restraining defendant, a former employee, from divulging confidential information to plaintiff's competitors in the louver and air damper manufacturing and sale business.

Plaintiff later narrowed its claim to attorney's fees expended to protect patents obtained on the basis of the confidential information. This confidential information consisted of improvements devised by defendant to two of plaintiff's existing products during his employment with it. Defendant assigned his interest in the inventions to plaintiff. They were later patented. Thereafter, defendant executed the employee's agreement which was the basis of plaintiff's suit against him. In pertinent part, as quoted by the court, the agreement reads as follows:

> to preserve as confidential information of Air Balance, Inc. all inventions . . . made or conceived by me . . . from the time of entering [its] employ until the termination thereof . . . .

62 Pa. D.& C. at 32 (brackets in original).[1] The agreement further provided specifically that all inventions defendant made prior to the date of this agreement were excluded from its scope.

Plaintiff, suing under the agreement,

alleged that defendant "disclosed the inventions to other companies, conspired with them to establish the invalidity of the patents, and required plaintiff to protect its rights through costly patent litigation." Id. at 30. Defendant counterclaimed for relief under agreements not relevant to the case at bar but requested as alternative relief nullification of the patent agreements. Under these circumstances, the court of common pleas denied relief to the plaintiff, stating the following as its reasons:

> Plaintiff's claim for damages in the nature of lawyer's fees expended to enforce the parties' employment contract is not actionable for three reasons. First, as attorney's fees they are, as a general rule, not legally cognizable in Pennsylvania, and there is no applicable exception that would preserve them in this case. Second, the employment contract is unenforceable in equity, as being against public policy for it is neither ancillary to the employment status nor supported by consideration. E.g., Capital Bakers, Inc. v. Townsend, 426 Pa. 188, 191 (1967), and cases cited. Third, we are not persuaded that plaintiff has, in any event, borne its burden of proving that under the law and

> the facts, it is entitled to recovery for breach of the loyalty and non-disclosure covenants of the contract. Defendant's position that only future, not prior or earlier, inventions are subject to the contract, is at least arguably supported by the contract's exclusionary provision. Moreover, . . . we did not find the weight of the evidence to have substantiated plaintiff's factual contention as to disloyalty on the part of the defendant.

Id. at 34-35 (footnotes omitted).

It is readily apparent that this case, under the standard set forth by the Third Circuit Court of Appeals, cannot control the disposition of the instant one. First, by the time of the hearings, plaintiff had reduced its claim for relief to attorney's fees only. Such a claim could readily be disposed of, as the trial court did, under the well established rule that attorney's fees are not recoverable as damages. Second, plaintiff's original claim, unlike the instant one, was not brought to determine the legal ownership of the patents assigned to plaintiff by defendant, but, rather, to re-

strain defendant, in part, from revealing the confidential information forming the basis of the patents to plaintiff's competitors. As such, the agreement forming the basis of this claim could be viewed as a restrictive covenant within the meaning of the cases cited by defendant because it limited defendant in the performance of his trade or occupation for a subsequent employer. See Wexler v. Greenberg, 399 Pa. 569, 160 A.2d 430 (1960). Moreover, contrary to ABL Liquidating Co., plaintiff here is not seeking to regulate defendant's performance of his profession following termination of his relationship with Harsco. Rather, it is seeking a legal determination of the ownership of the invention.[2] Finally, the court in ABL Liquidating Co. did not detail why it decided to follow Capital Bakers and other similar cases in an invention assignment case. This lack of analysis buttresses our decision not to follow this trial court decision. See Safeco Insurance

Co. v. Wetherill, 622 F.2d 685 (3d Cir. 1980).

AMP Incorporated v. McCaughey, 38 Pa. D.& C.2d 109 (Luzerne Co. 1966), can be similarly disposed of. In AMP Incorporated, the plaintiff corporation sought to enjoin defendant employees from violating invention agreements they had signed ancillary to their employment with plaintiff. Concluding that the agreements were binding, the court stated:

> The law of this Commonwealth has indicated that the taking of employment is a sufficient consideration to support a restrictive covenant made by an employe when such covenants are ancillary to the employment relationship. Morgan's Home Equipment Corp. v. Martucci, 390 Pa. 618.

Id. at 112.

In AMP Incorporated, two of the agreements to assign inventions extended for two years beyond the end of employment. Obviously, under these facts the agreements could be analyzed within the framework of covenants restricting trade. Additionally, they were executed at the beginning of employment. Thus,

even defendant Zlotnicki would have to concede that they would be enforceable regardless of how they are characterized.

Neither ABL Liquidating Corp. nor AMP Incorporated faced the issue before us here -- the enforceability of an invention assignment agreement executed after the beginning of the employment relationship. Because they do not, and because, as detailed below, we believe that there are substantial reasons why they should be treated differently, we decline to follow these trial court cases.

As defendant concedes, his appellate authority, George W. Kistler, supra, and Maintenance Specialties, supra, dealt with employment agreements in restraint of trade. The agreements in those cases contained "restrictive covenants", prohibiting the employee from competing with the employer after the termination of their business relationship. At issue in both cases was the correct application of the well established

Pennsylvania rule dealing with the enforceability of such restrictive covenants. The Pennsylvania Supreme Court stated that rule as follows:

> It is axiomatic in our law that in order for a covenant in restraint of trade to be enforceable the covenant must 1) relate to (be ancillary to) a contract for the sale of the good will of a business or to a contract of employment, 2) be supported by adequate consideration, and 3) be reasonably limited in both time and territory. [citations omitted].

George W. Kistler, supra at 480, 347 A.2d at 314 (brackets added). The rationale for such a rule, limiting the power of the employer to enforce such an agreement, was set forth by the Pennsylvania Supreme Court in Morgan's Home Equipment Corp. v. Martucci, 390 Pa. 618, 136 A.2d 838 (1957). The court first noted that, originally, such covenants were void as against public policy but later accepted. It then observed that:

> A general covenant not to compete . . . imposes a greater hardship upon an employe than upon a seller of a business. An employe is prevented from practicing his trade or skill,

> or from utilizing his experience in the particular type of work with which he is familiar. He may encounter difficulty in transferring his particular experience and training to another line of work, and hence his ability to earn a livelihood is seriously impaired. Further, the employe will usually have few resources in reserve to fall back upon, andhe may find it difficult to uproot himself and his family in order to move to a location beyond the area of potential competition with his former employer.

Id. at 631-32, 136 A.2d at 846.

In the instant case, we are not dealing with such an agreement. As we have already pointed out, the agreement here places absolutely no limitation upon defendant's right to obtain other employment after his tenure with BMY.[3] It deals solely with who owns the invention. Restraint of trade is involved here only to the extent that if the invention is patented, no one else will be able to freely copy it. If that happens, however, our conclusion in the instant case will only determine who will reap the benefits of that restraint of trade -- Harsco

or Zlotnicki.

Accordingly, we find the cases cited by defendant inappropriate to the case at bar and confirm our original conclusion that this invention assignment agreement is enforceable despite not being executed ancillary to the beginning of employment or accompanied by a change in employment status.

C. The Agreement Is Enforceable Under The Uniform Written Obligations Act.

Defendant asserts for a number of reasons that we erred in concluding that the Uniform Written Obligations Act, 33 P.S. §6 (1967), applies to the agreement. We find them all without merit. Defendant's citation of George W. Kistler, supra, for the proposition that "there must be adequate consideration for an employment agreement to be enforceable and that nominal consideration is not sufficient," defendant's reply brief at 10 (emphasis added), is incorrect. George W. Kistler actually stands for the proposition that nominal consideration will not support

equitable enforcement of a covenant in restraint of trade. This action is not one to enforce such a restrictive covenant. Hence, defendant's reliance upon George W. Kistler must fail. The Uniform Written Obligations Act permits equitable enforcement of this agreement. See Kay v. Kay, 460 Pa. 680, 334 A.2d 585 (1975).

D. The Grant Of Summary Judgment Did Not Overrule A Decision Of A Judge Of The Same Court In The Same Case.

Defendant contends that we erred in accepting plaintiff's argument that the invention assignment agreement was not a restrictive covenant governed by the Pennsylvania cases discussed in section B above. He asserts that because Judge Rambo had previously rejected such a contention in her memorandum granting plaintiff a preliminary injunction, we cannot reconsider it.

Judge Rambo never definitely rejected plaintiff's argument. She merely "questioned" it. Harsco Corp. v. Zlotnicki, No. 83-0384,

slip op. at 11 n.4 (M.D. Pa. May 4, 1983).[4] Judge Rambo went on to conclude that plaintiff was entitled to a preliminary injunction based upon common law principles. In the context of her discussion, it is clear that the Judge never meant her comments to be dispositive of the argument; only that she did not have to deal with it in granting the preliminary injunction. This case is therefore distinguishable from United States v. Wheeler, 256 F.2d 745 (3d Cir.), cert. denied, 358 U.S. 873, 79 S.Ct. 111, 3 L.Ed.2d 103, reh'g denied 358 U.S. 913, 79 S.Ct. 229, 3 L.Ed.2d 234 (1958), and TCF Film Corp. v. Gourley, 240 F.2d 711 (3d Cir. 1957).

We also note that defendant never made this argument in opposing plaintiff's motion for summary judgment. It is only after an adverse decision that he claims we were barred in the first place from rejecting application of restrictive covenant cases to the instant one.

E. The Agreement Is Clear And Unambiguous And Applies To The Defendant's Invention.

Defendant contends that we failed to follow the rule of contract construction set forth in Mellon Bank, N.A. v. Aetna Business Credit, Inc., 619 F.2d 1001 (3d Cir. 1980). Proper application of Mellon Bank would have allegedly led us to consider the circumstances surrounding the execution of the contract and would have avoided certain allegedly erroneous conclusions. Among the latter, defendant lists the following: (1) that the invention resulted from or was suggested by defendant's work for Harsco, and (2) that the agreement applied to all inventions created during defendant's employment with plaintiff even though defendant contends he devoted only his own time to conceiving and developing the invention. Defendant also asserts that a material factual issue remains unresolved because the parties dispute the nature of the work assignment given to defendant in responding to the Army's proposal.(5)

In Mellon Bank the Third Circuit Court of Appeals discussed well established Pennsylvania rules ofcontract interpretation and approved an "alternative approach" to a "four corners" interpretation where "a judge sits in chambers and determines from his point of view whether the written words before him are ambiguous." Id. at 1011. Instead, the court stated that:

> It is the role of the judge to consider the words of the contract, the alternative meaning suggested by counsel, and the nature of the objective evidence to be offered in support of that meaning. The trial judge must then determine if a full evidentiary hearing is warranted. If a reasonable alternative interpretation is suggested, even though it may be alien to the judge's linguistic experience, objective evidence in support of that interpretation should be considered by the fact finder.

Id. (emphasis in original) (footnote omitted).

We followed this standard in concluding that the agreement here gave plaintiff total ownership of the invention. Considering the meaning of the plain words of the contract, we concluded that defendant's interpretation was not a reasonable one. Mellon Bank does

not confer upon a party to a contract the unfettered right to submit his own subjective interpretation of the contract. As emphasized by the court in Mellon:

> [O]ur approach does not authorize a trial judge to demote the written word to a reduced status in contract interpretation. Although extrinsic evidence may be considered under proper circumstances, the parties remain bound by the appropriate objective definition of the words they use to express their intent.

Id. at 1013 (emphasis added). This reiterated the court's position earlier in the opinion when the court stated that "the courts must eschew the ideal of ascertaining the parties subjective intent and instead bind parties by the objective manifestations of their intent." Id. at 1009.

The court did warn that a "specialized usage" of the parties would sometimes require extrinsic evidence, id. at 1011 n.12, but that is not the case here despite defendant's attempts to invoke that phrase early in his brief. See defendant's brief in support of

motion for reconsideration at 5. As we discussed earlier, it is irrelevant to the disposition of this case whether the parties' understanding of "staff engineer" was identical to the common usage or whether "moment calculations" are the same as "engineering calculations." The specialized usage must appear in the contract and the contract here does not contain any words of specialized meaning which would require us to permit testimony explaining it. Rather, the agreement, using plain language, provides that "[i]n consideration . . . of the further continuation of such employment" Zlotnicki "will communicate to Harsco promptly and fully all inventions made or conceived by me . . . during my employment, which are along the lines of the business, work, or investigations of Harsco or which result from or are suggested by any work I may do for Harsco. . . ." As discussed in our prior memorandum, dated November 27, 1984, this language clearly

covers intentions "made or conceived" prior to the execution of the agreement as well as those created afterward.

F. The Agreement Is Not Voidable Because Of Economic Duress.

Defendant next contends that we relied upon an erroneous interpretation of Pennsylvania law on economic duress set forth in Levin v. Garfinkle, 492 F.Supp. 781 (E.D. Pa. 1980), aff'd, 667 F.2d 381 (3d Cir. 1981). Specifically, defendant contends that the court in Levin erroneously asserted that Pennsylvania requires as an element of the defense that the contracting party would imminently suffer serious economic injury. Accordingly, our reliance upon defendant's failure to allege such an injury was also erroneous.

We need not decide whether the court in Levin erred in its formulation of the defense of economic duress. While our examination of the Pennsylvania Appellate law reveals that no state court has ever included such an

element in exactly those words, it would seem to be a reasonable conclusion from case law which has stated that "there must be more than a mere threat which might possibly result in injury at some future time, such as a threat of injury to credit in the indefinite future." National Auto Brokers Corp. v. Aleeda Development Corp., 243 Pa. Super. 101, 364 A.2d 470, 474 (1976) (quoting Tri-State Roofing Co. v. Simon, 187 Pa. Super. 17, 20, 142 A.ed 333, 335 (1958)). See also Young v. Pileggi, 309 Pa. Super. 565, 455 A.2d 1228 (1983).

The defense of economic duress seems to be more honored in theory than in practice in Pennsylvania. Litten v. Jonathan Logan, Inc., 220 Pa. Super. 274, 286 A.2d 913 (1971), voided a contract on that basis. In Litten the defendant actively brought about the financial conditions forcing plaintiff to execute the disputed agreement. Here, whatever financial hardships led defendant to sign the agreement were of his own making.

efendant's claim that he feared the loss of is job because he had a wife and child to upport cannot constitute the duress required nder Pennsylvania law. See Reed v. Smith-line Beckman Corp., 569 F.Supp. 672 (E.D. Pa. 983) (economic pressure to support plaintiff nd her son did not constitute economic uress justifying avoidance of release).

We reject defendant's contention that the bility to consult with counsel is a factor hat cannot be considered when evaluating a laim for economic duress. Litten, supra, ited by defendant in support of this posi-ion, did not so hold. Rather, it merely tated that in the circumstances of that case he availability of counsel could not defeat he claim of economic duress. Defendant cor-ectly asserts that the opportunity to consult ith counsel would not by itself defeat a laim of economic duress, but, as our prior emorandum clearly indicated, it may, com-ined with other factors, establish that eco-

nomic duress is not a viable defense to a contract.

Finally, defendant argues that application of the Restatement (Second) of Contracts §§175(1), 176 (1981) would support a finding of duress. We decline to apply these Restatement sections to the instant case in light of the clear and consistent Pennsylvania precedent which precludes a conclusion here that defendant was unlawfully coerced into signing the agreement.

We will issue an appropriate order.

William W. Caldwell
United States
District Judge

Date: February 13, 1985

FOOTNOTES

) Air Balance, Inc. was the predecessor of ABL Liquidating Co.

) Defendant makes much of paragraphs 3 and 4 of the agreement, contending that these impose restrictions upon him after the end of his employment relationship with plaintiff and thus making the agreement a restrictive covenant. Paragraph 4 is not at issue in this case. Paragraph 3 does not in any way hinder defendant's employment after Harsco. It merely requires him to assist it in perfecting its ownership of patents on inventions subject to the agreement.

) Defendant correctly points out that paragraph 4 of the agreement restrains trade by limiting defendant's right to the use of confidential information obtained during his employment with BMY, and enforcement of that paragraph would normally fall within the rule quoted above. See Capital Bakers, Inc. v. Townsend, 426 Pa. 188, 231 A.2d 292 (1967). That paragraph is not at issue here.

) The memorandum and order were signed by Judge R. Dixon Herman because of Judge Rambo's absence at that time.

) In support of this contention, defendant claims that Judge Rambo noted this factual dispute when she denied plaintiff's first motion for summary judgment. Memorandum, August 30, 1983. That first motion, however, was based upon plaintiff's asserted

common law right to the invention. Under those circumstances, defendant's job assignment was material to a proper disposition of the motion and required its denial when it was disputed. See Marshall v. Colgate-Palmolive Peet Co., 175 F.2d 215 (3d Cir. 1949). Here, however, contract construction is the primary consideration and defendant's job assignment is simply not relevant to our disposition of plaintiff's motion.

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

HARSCO CORP., Plaintiff	:	
vs.	:	CIVIL ACTION
LUCJAN ZLOTNICKI, Defendant	:	NO. 83-0384

O R D E R

AND NOW, this 13th day of February, 1985, it is ordered that defendant's motion for reconsideration be and is hereby denied.

William W. Caldwell
United States District Judge

APPENDIX D

APPENDIX D

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

HARSCO CORP., :
Plaintiff
:
vs. CIVIL ACTION
: NO. 83-0384
LUCJAN ZLOTNICKI,
Defendant :

M E M O R A N D U M

Plaintiff, Harsco Corporation (Harsco), has filed a motion for summary judgment in this declaratory judgment action seeking to determine the ownership of a "four-bar linkage bridge launcher", invented by defendant, Lucjan Zlotnicki, during the time he was employed by Harsco. Zlotnicki opposes the motion and has moved for partial summary judgment in his own favor.

Resolution of the parties' conflicting claims to the bridge launcher depends upon the effect to be given a "Harsco Corporation Employee Agreement Relating to Inventions, Patents and Confidential Information," signed by Zlotnicki on February 18, 1983. We find

that there is no genuine issue of material fact concerning the execution of this agreement, see Fed. R. Civ. P. 56(c), and grant summary judgment in favor of Harsco. We deny defendant's request for partial summary judgment.

From plaintiff's statement of material facts, submitted in compliance with local rule 401 and defendant's statement in opposition thereto, the following undisputed facts appear. Bowen-McLaughlin York (BMY), a subsidiary of Harsco, hired Zlotnicki as an engineer in November of 1981. At that time, no discussions took place concerning execution of the employee agreement but on at least three occasions, in January and May of 1982, and February 11, 1983, Harsco representatives requested Zlotnicki to sign the agreement (defendant's statement of facts, ¶5), prior to his doing so on February 18, 1983.

The agreement provided, in relevant part, as follows:

In consideration of my employment by Harsco Corporation, together with its subsidiaries and divisions, ("Harsco") and of the further continuation of such employment and of the salary and wages paid to me in connection with such employment, Harsco Corporation and I agree as follows:

1. I will communicate to Harsco promptly and fully all inventions made or conceived by me, either solely or jointly with others, during my employment, which are along the lines of the business, work or investigations of Harsco or which result from or are suggested by any work I may do for Harsco; and such inventions, whether or not patented, shall be and remain the sole and exclusive property of Harsco or its nominees.

. . . .

6. This agreement shall be binding on my heirs, legal representatives and assigns, and shall inure to the benefit of any successors and assigns of Harsco.

. . . .

8. The parties hereto agree that this agreement is made under the laws of the Commonwealth of Pennsylvania and for all purposes shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania. . . .

During the course of his employment with BMY, defendant was called upon to do engi-

neering calculations for a bridge launch mechanism (the "L-Foot") that BMY decided to develop in response to a United States Army proposal made in July of 1982. (Plaintiff's statement, ¶6; defendant's statement, ¶7). In early August of 1982, defendant thought of applying a four-bar linkage concept to the bridge launcher. While the parties dispute whether plaintiff then directed defendant to develop this idea, and how much assistance plaintiff gave him in doing so, it is undisputed that Zlotnicki's invention was incorporated into plaintiff's proposal for the United States Army. (Statement of fact of both parties, ¶11). Thereafter, on February 18, 1983, defendant signed the agreement and this dispute arose concerning the invention's ownership.

Despite the conclusions of law contained in paragraph 12 of defendant's statement of facts, we believe that the four-bar linkage bridge launcher is covered by paragraph 1 of

the agreement. The language of the paragraph broadly covers any invention "conceived by" an employee "during [his] employment, which are along the lines of the business . . . of Harsco or which result from or are suggested by any work" the employee "may do for Harsco." Defendant may dispute the exact role assigned to him in developing the bridge launcher but there can be no doubt that the invention resulted from, or was certainly suggested by, his work for Harsco. Additionally, it was created during the time he was employed by Harsco although defendant may have devoted some of his own time to developing it. Further, when the language of the contract clearly applies to all inventions created during defendant's employment with plaintiff, we must reject defendant's assertion that he subjectively intended that the agreement be prospective only. See Mellon Bank, N.A. v. Aetna Business Credit, Inc., 619 F.2d 1001 (3d Cir. 1980).

Defendant makes the following arguments in attempting to avoid the agreement: (1) employment agreements containing invention assignment provisions not executed ancillary to the taking of employment are void under Pennsylvania law; (2) the contract lacks consideration; and (3) defendant executed the contract under economic duress. We find these arguments inapplicable to this case.

Defendant does not cite any Pennsylvania Appellate authority to support his first contention. Citing George W. Kistler, Inc. v. O'Brien, 464 Pa. 475, 347 A.2d 311 (1975), and Maintenance Specialties, Inc. v. Gottus, 455 Pa. 327, 314 A.2d 279 (1967), he seeks to analogize to those cases dealing with restrictive covenants in employment contracts prohibiting the employee from working for a certain period of time in the employer's geographic location following the termination of employment. In Pennsylvania, for such a contract to be valid it must be ancillary to

the taking of employment, or supported by new consideration if entered into after the employment relationship has been established. Maintenance Specialties, Inc., supra. Because defendant did not sign his agreement until some sixteen months after beginning his employment with BMY, and he merely continued with the same job responsibilities, he contends that the agreement falls within this rule and is therefore invalid.

We cannot agree with the defendant's analogy. The cases he cites deal with covenants requiring the employee not to engage at all in his chosen occupation within certain geographic limits for a definite period of time. Public policy has wisely put restrictions upon when an employer can restrain an ex-employee in such a fashion. In the instant case, the agreement is materially different. It does not extend beyond the period of employment, does not hinder defendant in seeking gainful employment elsewhere, and

sought only an ownership interest in those inventions created by defendant as a result of defendant's exposure to engineering problems while in plaintiff's employ. Under these circumstances, a promise of continued employment is adequate consideration for the agreement.(1)

In any event, even if a promise of continued employment did not constitute consideration for the agreement, the agreement is still enforceable under the Uniform Written Obligations Act, the Act of May 13, 1927, P.L. 985, No. 475, §1, 33 P.S. §6 (1967). The Act provides as follows:

> A written release or promise, hereafter made and signed by the person releasing or promising, shall not be invalid or unenforceable for lack of consideration, if the writing also contains an additional express statement, in any form of language, that the signer intends to be legally bound.

The agreement in the instant case provides at paragraph 6, in relevant part, as follows: "This agreement shall be binding on my heirs,

legal representatives and assigns...." Paragraph 8 also provides that the agreement "shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania...." This language expresses defendant's intent to be legally bound by the agreement. Defendant could not have understood it to be binding upon his heirs and assigns if he did not intend that it also be binding upon himself. Further, his understanding that the agreement would be enforceable under Pennsylvania law also indicates his belief that the agreement could be enforced in court. Accordingly, the agreement needs no consideration to be binding.

We also reject defendant's third contention that he signed the contract under economic duress because plaintiff threatened to fire him if he did not.

> "....[T]he making of a contract may be under such circumstances of business necessity or compulsion as will render the same involuntary and entitle the party so coerced to recover the money paid, or excuse him

> from performing the contract." Tri-State Roofing Co. v. Simon, 187 Pa. Super. 17, 20, 142 A.2d 333, 335 (1958). Accord, National Auto Brokers v. Aleeda [Development Corp., 243 Pa. Super. 101, 364 A.2d 470 (1976)]. In order to establish duress, it is necessary to prove that (1) serious economic injury was imminent, (2) exerting such pressure that the party involuntarily executed an agreement leading to economic loss, and (3) there was no immediate legal remedy available as an alternative to executing the agreement. Id. 243 Pa. Super. at 105; 364 A.2d at 474.

Levin v. Garfinkle, 492 F.Supp. 781, 807 (E.D. Pa. 1980) (brackets added), aff'd, 667 F.2d 381 (3d Cir. 1981).

In the instant case, defendant contends that economic duress consisted of the following: "On February 11, 1983, Defendant was humiliated, harrassed, cursed at and threatened by Plaintiff's employees, to force Defendant to sign the Employment Agreement against his will. Defendant was told he would, in addition to suffering other harms, be fired if he did not sign." (Defendant's statement of material facts in opposition to plaintiff's

statement, ¶15).

These allegations do not rise to the level of economic duress because defendant fails to make the essential assertion that he wouldhave suffered immediate and serious economic injury if he failed to execute the agreement. It is true that he would have been fired if he did not sign but the mere fact of discharge, without more, does not lead to the conclusion that defendant would have suffered serious economic harm. "[M]erely because one enters into an agreement which he would not enter if his financial circumstances were more secure, does not mean that a claim for duress exists as will void the contract." Harrison v. Fred S. James, P.A., Inc., 558 F. Supp. 438, 441 (E.D. Pa. 1983) (brackets added).

Moreover, defendant had an opportunity to consult with counsel between the time of plaintiff's demand, February 11, 1983, and the time of the execution of the agreement,

February 18, 1983. This opportunity vitiates defendant's claim of duress as well. See Three Rivers Motor Co. v. Ford Motor Co., 522 F.2d 885 (3d Cir. 1983) (applying Pennsylvania law).

We will issue an appropriate order.

William W. Caldwell
United States District Judge

Date: November 27, 1984

FOOTNOTES

(1) We note that defendant does not contend, nor could he, that the agreement itself is against public policy. See Hirshhorn v. Mine Safety Appliances, 106 F.Supp. 594 (W.D. Pa. 1952), aff'd, 203 F.2d 279, cert. denied, 346 U.S. 866, 74 S. Ct. 105, 98 L.Ed. 376 (1953).

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

HARSCO CORP., :
Plaintiff
:
vs. CIVIL ACTION
: NO. 83-0384
LUCJAN ZLOTNICKI,
Defendant :

O R D E R

AND NOW, this 27th day of November, 1984, it is ordered as follows:

1. Plaintiff's motion for summary judgment shall be and is hereby granted.

2. Defendant's motion for partial summary judgment shall be and is hereby denied.

3. The Clerk of Court shall close this file.

William W. Caldwell
United States District Judge

APPENDIX E

APPENDIX E

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

HARSCO CORPORATION, Plaintiff	)	
v.	)	CIVIL ACTION
	)	NO. 83-0384
LUCJAN ZLOTNICKI, Defendant	)	

M E M O R A N D U M

Before the court is plaintiff Harsco Corporation's motion for summary judgment. Based upon the briefs and supporting evidence preserved by the parties, the court will deny the motion.

The procedural and factual background of this case is set forth in the court's memorandum of May 4, 1983, which granted plaintiff's motion for a preliminary injunction and will not be repeated here. Plaintiff now contends that based upon the testimony and exhibits presented at the preliminary injunction hearing and the briefs filed by the parties, no material questions of fact exist and that judgment as a matter of law should be entered

in its favor. In order to grant plaintiff's motion, the court must find that there is "no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed.R.Civ.P. 56(c). In evaluating this motion the court must take as true and non-movant's allegations and, when these assertions conflict with those of the movant, the former must receive the benefit of the doubt. Goodman v. Mead Johnson & Co., 534 F.2d 566, 573 (3d Cir. 1976), cert. denied, 429 U.S. 1038 (1977). Inferences to be drawn from the underlying facts contained in the evidentiary sources submitted to the trial court must be viewed in the light most favorable to the party opposing the motion. Id.

Plaintiff contends that as a matter of common law, it is entitled to exclusive rights to any patentable idea created by an employee who was directed to solve a particular problem. Plaintiff cites among other cases

Marshall v. Colgate-Palmolive-Peet Co., 175 F.2d 215 (3d Cir. 1949) (applying federal law which New Jersey would also apply); Koolvent Metal Awning Corp. v. Vamco Machine Co., 99 Pitts.L.J. 345 (Comm. Pl. 1951) and Pursche v. Atlas Scraper and Engineering Co., 300 F.2d 467 (9th Cir. 1961), cert. denied, 371 U.S. 911 (1962).

Plaintiff submitted a statement of facts which it claims is undisputed. In this statement plaintiff contends essentially that in July of 1982, it directed defendant, as a staff engineer, to work with several other Harsco engineers to identify and solve a particular engineering problem: to develop a mechanism capable of launching the bridge proposed by the Israeli Military Industries (the "Israeli bridge"). Plaintiff further asserts as undisputed that defendant, as a staff engineer, identified the technical engineering capabilities that would be required to launch the Israeli bridge, evaluated and identified

e technical shortcomings of current launching chanisms, and thereby identified an applica- on of an engineering concept (the four-bar nkage concept) that could accommodate the ecific requirements of the Israeli bridge thout the shortcomings that he had identi- ed in current launching mechanisms. Upon ese allegedly undisputed facts, plaintiff serts that it is entitled to exclusive ghts to the four-bar bridge launch mech- ism.

Defendant disputes plaintiff's above ctual contention as well as other assertedly disputed facts in his verified memorandum[1] opposition to plaintiff's motion for sum- ry judgment. Specifically, defendant enies that he was assigned to a team of gineers and denies that as a staff engineer was directed to utilize state-of-the-art gineering techniques to develop, "concept" nd design a bridge launch mechanism. De- endant contends that he was initially only

ked to evaluate the feasibility of a bridge
nstruction proposed by Israeli Military In-
stries. He alleges that when plaintiff
rected its engineers of which he was not
e, to extend the existing launch mechanism
handle the bridge proposed by the Israelis,
expressed his opinion to plaintiff, after
rforming his designated tasks of performing
thematical calculations, that the existing
unch mechanism would not work. He alleges
at despite his report of unfeasibility, he
s instructed to proceed with preparation
plans and specifications based upon exist-
g devices. He maintains that on his own
me and without any obligation to do so, he
nceived of a design for the bridge launch
chanism and voluntarily brought it to the
aintiff, and then convinced plaintiff that
s design would work and would be accepted
the U.S. Army. He adds that he was never
rected by plaintiff to pursue anything
ich departed from standard design already

use.

Plaintiff argues in reply that defendant es not create a material issue of fact by serting that plaintiff did not direct de- dant to use a particular engineering con- ot.

The court finds that the parties disagree out the precise problem which plaintiff signed defendant to solve. This factual sue is central to the resolution of plain- ff's asserted right to exclusive ownership the four bar-bridge launch mechanism. The al basis upon which plaintiff claims ex- sive ownership requires a finding that the ecific problem covered by the invention was signed to the defendant: "The evidence ch the learned District Judge believed [,] pported his conclusion that the problems ch involved the inventions were assigned plaintiff...." Marshall, 175 F.2d at 217. he district found that 'said inventions... re made in the course of his employment as engineer and designer while working on

jects assigned to him by the management
.. Atlas.'" Pursche, 300 F.2d at 485
oting from district court opinion). In
lvent, the court found that plaintiff had
ted a claim for relief by averring that

> defendant was instructed to engineer and perfect for manufacture a certain type of metal awning; different from that then being promoted and commercialized by the plaintiff, and in accordance with "concepts, ideas, and disclosures given to Bain as engineer in the course of his employment by the plaintiff through another of its employees."

Pitts. L.J. at 346 (quoting from plaintiff's
l in equity).

This court concludes that a material ques-
n of fact exists which mandates the denial
plaintiff's motion for summary judgment.[2]

The court must also address one addition-
issue that has arisen since the filing of
intiff's motion for summary judgment. The
rt has been advised through an affidavit
ed by Louis Sheehan that he is corporate
asurer of plaintiff and is also the
ther of James Sheehan who began employment

a staff attorney for the undersigned on
ust 22, 1983. 28 U.S.C. § 455(a) states
t any justice, judge or magistrate of the
ted States shall disqualify himself in any
ceeding in which his impartiality might
sonably be questioned. It appears to this
rt that § 455(a) requires the undersigned
recuse herself from further proceedings
this case in the absence of a waiver under
55(c). Under § 455(e), the parties may,
they so choose, waive the ground for dis-
lification which arises under § 455(a)
lowing a full disclosure on the record.
court will give the parties twenty days
m the date of this order to advise the
rt in writing of their positions on this
stion.

An appropriate order will be issued.

Sylvia H. Rambo
United States District Judge

ed: August 30, 1983

FOOTNOTES

Defendant's verified memorandum was not found to comply with the requirements of Federal Rule of Civil Procedure 56(e). By order dated August 18, 1983 the court gave defendant the opportunity to correct the deficiency. In response to the court's order, defendant filed an affidavit containing information not found in his "verified" memorandum, rather than merely correcting the deficiency cited by the court. For purposes of this motion, the court has only relied on those portions of the affidavit which correspond to the "verified" complaint. The court has disregarded new material appearing in the affidavit.

In this court's memorandum of May 4, 1983 filed in conjunction with the order granting plaintiff preliminary injunctive relief, the court stated that "the court finds that his (defendant's) assignment to the team to develop concepts for a bridge launch mechanism constituted a specific assignment and entitles plaintiff to an assignment of the patent rights under Koolvent and Goodyear." (Memorandum p. 13 filed May 4, 1983). This finding, however, is, at best, "nothing more than a tentative judgment of the litigation," Wyrough & Loser, Inc., v. Pelmor Labs, Inc., 376 F.2d 543, 548 (3d Cir. 1967) and should not be regarded as binding in further proceedings in the trial court. 11 C. Wright & A. Miller, Federal Practice and Procedure § 2950 at 494 (1973) (citing cases).

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UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

ARSCO CORPORATION, Plaintiff	)	
v.	)	CIVIL ACTION NO. 83-0384
UCJAN ZLOTNICKI, Defendant	)	

O R D E R

T IS HEREBY ORDERED THAT:

1. Plaintiff's motion for summary judgment is denied for the reasons set forth in the accompanying memorandum.

2. The parties are given twenty days from today's date to advise the court in writing of their positions regarding the refusal issue discussed in the court's accompanying memorandum.

Sylvia H. Rambo
United States District Judge

ated: August 30, 1983

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SCO)
v) CIVIL NO. 83-0384
TNICKI)

AFFIDAVIT

I, Louis J. Sheehan, being duly sworn,
te that:

1. I am currently the Treasurer of
sco Corporation, a Delaware corporation
h principal offices at 350 Poplar Churc-
d, Wormleysburg (mailing address: Camp
l), Pennsylvania 17011; and

2. James M. Sheehan is my brother.

The undersigned states that all state-
ts made herein of his own knowledge are
e and that all statements made on informa-
n and belief are believed to be true.

Louis J. Sheehan

MMONWEALTH OF PENNSYLVANIA)
NTY OF DAUPHIN)

Be it remembered that on the 22nd day of
ust, 1983, personally came before me, a
ary Public, in and for the Commonwealth
County aforesaid, Louis J. Sheehan, and
duly executed said Affidavit before me
acknowledged said Affidavit to be his

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t and deed and that the facts stated therein
e true.

WITNESS WHEREOF, I have hereunto set my
nd and seal of office the day and year
oresaid.

SEAL

Notary Public

Commission Expires: 4-5-86

APPENDIX F

APPENDIX F

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

HARSCO CORPORATION, Plaintiff

v.

LUCJAN ZLOTNICKI, Defendant

Civil Action No. 83-0384

Filed Harriburg, PA. May 4, 1983
Per Donald R. Berry, Clerk

MEMORANDUM

Before the court is defendant's motion to dismiss and plantiff's motion for a preliminary injunction.[1] The court held a hearing on a plaintiff's motion on April 22, 1983. Based upon the testimony presented at the hearing and the briefs filed by the parties, the court will deny defendant's motion to dismiss and will grant plaintiff's motion.

I. Factual Background

Bowen-McLaughlin-York (BMY) is a division of plaintiff corporation.

BMY employs engineers to invent and design military equipment and systems to enable it to obtain government contracts.

Defendant, a Pole by birth who presently resides in the United States as a permanent resident and who has not received United States citizenship, began his employment with BMY as a part-time engineering employee in August 1981. In November of that year he was hired on full-time basis as a staff engineer. The job description of a staff engineer included the following:

GENERAL SUMMARY

Works under general direction and guidance to plan and perform technical /theoretical analyses at a sophisticated level to indentify complex problem solutions. Supervises and directs engineering analyses performed by other engineers and statisticians.

PRINCIPAL DUTIES AND RESPONSIBILITIES

1. Serves as technical consultant for any/all engineering programs.

2. Contributes to any design/development program analytic applications utilizing the state-of-the-art engineering and scientific techniques.

3. Performs as a systems analyst making analyses of scientific/engineering problems and formulating mathematical models as required.

4. Contacts involving essential phases of program activities and with customers involving tact and judgement.

5. Probable errors may cause serious delays in programs. Errors in decisions and recommendations may have important effects on relationships with important customers.

6. Performs other duties as necessary and appropriate to position.

(Plantiff's Ex. #2)

According to the testimony of Mr. Jairett, the director of engineering for BMY, defendant was hired on a full-time basis as a staff engineer for dynamic applications in the research and development department even though this assignment

did not specifically appear in BMY's firm-offer letter sent to defendant (Plaintiff's Ex. #2).

Plaintiff maintains that it adheres to a policy of executing formal employee agreements covering inventions, patents and confidential information in order to maintain the secrecy of trade secret information. The testimony established however, that defendant refused to sign the standard employee agreement because he objected to several provisions, the most critical one involving the assignment of patent rights to plaintiff without any renumeration above the employee's base salary. Defendant eventually signed the agreement on February 18, 1983 (Plaintiff's Ex. #5) after being advised by Mr. Jairett that defendant "had no choice" if he wanted to continue his employment. Defendant wrote out his objections to the employee agreement on a separate sheet

(Plantiff's Ex. #8) which was reviewed and rejected by plaintiff's personnel. Defendant received a salary increase after signing the standard agreement. The increase, however, was unrelated to defendant's signing of the agreement and was received by all of plaintiff's employees. Defendant continued to receive educational assistance from plaintiff after signing the agreement. Mr. Jairett testified that the continuation of the assistance had nothing to do with defendant's signing of the agreement.

In July 1982 BMY received and decided to respond to a United States Army Request For Proposal (RFP) for a bridge launch mechanism. BMY responded to the RFP in conjunction with the Israeli government: BMY would address the launch mechanism, while the Israeli's would address the bridge concept. Defendant was assigned to a team to determine technical solutions

to the launch mechanism, specifically to develop concepts for this mechanism. The team successfully identified two concepts: a foot launch mechanism and a four-bar launch concept. Plaintiff acknowledges that defendant was the inventor of the four-bar concept (See Defendant's exhibit B to Doc't. #26). The final award of the contract for the bidge launch mechanism had not been announced as of the date the court's hearing although the parties apparently agree that the Army has tentatively selected BMY as successful designer for the launch mechanism.

According to Mr. Jairett, application of the four-bar concept to the launch mechanism is unique and has given BMY a competitive edge over its competitors. He testified that BMY spent about $60,000.00 between July and September 1982 to develop its initial response

to the Army's RFP. Mr. Jairett testified that BMY took steps to protect the confidentiality of the launch mechanism which included the identification of patentable aspects. Mr. Jairett notified BMY's patent attorney to proceed with a patent application for the launch mechanism which was begun in 1982 (See Defendant's exhibits #1 and #2). Defendant cooperated with the patent attorney in preparing BMY's patent application although defendant advised the attorney of the dispute between defendant and BMY over the assignment provision within the Harsco employee agreement. On February 8, 1983 defendant sent a memorandum to S. Bassman, chief engineer at BMY which stated:

> It came to my attention that H. McIlvaine intends to advertise the Bridge Launcher.
>
> This is to advise you that drawings, pictures, photographs or description of the Bridge Launcher of my proprietary design cannot be released without my permission. As the sole owner

> of the rights to a patent I object to any work on and distribution of information about the Bridge Launcher prior to the filing of the patent application with U.S. and Foreign patent offices and prior to suitable consultations with my Patent Attorney.
>
> Not (sic) compliance with the above will invalidate the patent application and result in big financial losses of lost royalties, licensing fees
>
> etc....

Defendant met with Mr. Jairett and other BMY individuals on February 11, 1983 wherein defendant was advised not to pursue his claim of sole ownership of the launch mechanism. Mr. Jairett testified that defendant told him he was concerned about the fact that drawings might be issued on the four-bar mechanism prior to the issuance of a patent on it. According to Mr. Jairett, defendant disclaimed any intention of filing a patent application on his own behalf for the launch mechanism and disclaimed owning the design or mechanism. Mr.Jairett further testified that he reminded

defendant at this meeting to sign the Harsco employees agreement regarding patents and advised him to set forth his objection to the agreement in writing for review by higher authorities. Defendant signed the agreement on February 18, 1983.

Sometime in March 1983 defendant filed a patent application on his own behalf for the launch mechanism. Although defendant did not testify at the hearing, he claims in his brief that he took this action because BMY had failed to file a patent application on the four-bar mechanism prior to advertising the mechanism. On March 23, 1983, Defendant's sole attorney at the time drafted a letter addressed to plaintiff's customer for the bridge launch mechanism. The attorney drafted the letter at his own behest and read it over the telephone to

plaintiff's president. The text of the letter, according to defendant's attorney, was that the attorney represented defendant who had filed a patent application on the bridge launch mechanism and that title of the patent was in dispute. The attorney testified that he did not believe defendant was aware of the draft although he was aware of what would have been said. The attorney said defendant was not aware until after the fact of the telephone call. The attorney explained that he had talked to BMY's president on March 22, 1983 concerning the patent dispute over the bridge launch mechanism and had been advised that plaintiff's patent attorney would contact defense counsel. When no contact was made by March 23, 1983, defendant's attorney drafted and read the letter to get "BMY's attention." The letter was never sent to plaintiff's customer. Apparently in

response to this letter, Plaintiff contacted its governmental customer to indicate there was a dispute solely between plaintiff and defendant over ownership of the mechanism and to indicate that the dispute would not create problems between plaintiff and the government.

On March 24, 1983 plaintiff terminated defendant's employment and sought and received an unopposed temporary restaraining order. On March 31, 1983 plaintiff filed a complaint seeking a declaratory judgment and injunctive relief alleging defendant's misappropriation and misuse of plaintiff's trade secrets and confidential information, breach of his fiduciary duty, and intentional interference with plaintiff's existing and prospective contractual relations.

II. Discussion

A. Defendant's motion to dismiss

Defendant filed a motion to dismiss the complaint contending that the court lacked subject matter jurisdiction. Defendant argued that he is a citizen of Pennsylvania and that diversity is lacking, apparently under 28 U.S.C. § 1332(a)(1)[2], since plaintiff is also a citizen of Pennsylvania. This argument lacks merit. To fall within § 1332(a)(1), a natural person must be a citizen of the United States and a citizen of a particular state. Sadat v. Mertes, 615 F.2d 1176, 1180 (7th Cir. 1980). As set forth below, defendant is not a United States citizen and therefore § 1332(a)(1) is inapplicable. The court finds, however, that it has alienage diversity jurisdiction under 28 U.S.C. § 1332(a)(2)[3]. Although defendant claims he is not a citizen of Poland but merely a native due to his birth in that country, his attorney informed the court that defendant

listed his citizenship as Polish on the application he filed with the United States Patent Office. Defendant also listed his citizenship as Polish on the Department of Defense Personnel Security Questionnaire he filed out on October 22, 1982 (See Doc't. #22). It appears from Blair Holdings Corp. v Rubinstein, 133 F.Supp. 496, 498-499 (S.D. Ohio 1955) that birth in a country establishes citizenship. Since citizenship once established is presumed to continue, Havenstein v. Lynham, 100 U.S. 483, 484 (1879), defendant is presumptively still a Polish citizen. Defendant has not received United States citizenship and has offered no proof contesting the above presumption. The court finds no merit to defendant's motion and will deny it.

B. Issuance of Preliminary Injunction

In order for plaintiff to prevail

on its motion for a preliminary injunction it must show that irreparable harm will occur if relief is not granted to maintain the status quo pending trial on the merits and that there is a reasonable probability of eventual success on the merits. Continental Group, Inc. v. Amoco Chemical Corp. 614 F.2d 351, 356-357 (3d Cir. 1980). Additionally, the court must weight the possibility of harm to the defendant and when relevant, harm to the public. Id., at 357.

The court concludes that palintiff will suffer irreparable harm if a preliminary injunction is not issued to prevent defendant from disclosing confidential trade secret information concerning the bridge launch mechanism and from interferring with plaintiff's use of such information. In Felmlee v. Lockett, 466 Pa 1, 8, 351 A.2d 273, 277 (1976),

the Pennsylvania Supreme Court said:

> This Court in Macbeth-Evans Glass Co v. Schnelbach, 239 Pa 76, 86 A 688 (1913), set out the prerequisites for recovery upon a cause of action alleging misappropriation of trade secrets To be entitled to equitable relief, the burden was on [the employer] to show: (1) that there was a trade secret, or, as in the case at bar, a secret process of manufacture; (2) that it was of value to the employer and important in the conduct of business; (3) that by reason of discovery or ownership the employer had the right to use and enjoyment of the secret; and (4) that the secret was communicated to [the employee] while he was employed in a position of trust and confidence, under such circumstances as to make it inequitable and unjust for him to disclose it to others, or to make use of it himself, to the prejudice of his employer. 239 Pa. at 87, 86 A. at 691.

In Air Products and Chemicals, Inc. v. Johnson, 296 Pa.Super.Ct. 405, 417, 442 A.2d 1114, 1120-21 (1982) the court stated that:

> A trade secret is defined in the Restatement of Torts § 757, Comment B as:
>
> A trade secret may consist of any

> formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competition who do not know or use it....

The court believes the testimony established that: the four-bar bridge launch mechanism is a device used in plaintiff's business which gives it a competitive advantage over competitiors since plaintiff has tentatively been awarded the Army contract on the RFP based upon the concept and has concluded that application of the four-bar concept to a bridge launch mechanism is patentable; it has value to plaintiff; it is owned by plaintiff as more fully discussed below; the secret was communicated to defendant under circumstances making it inequitable for him to disclose or make use of it himself. Thus, all documents relating to the mechanism are trade secrets, see e.g. Air Products, 296 Pa.Super.Ct. at 416-420, 422 A.2d at 1120-

-22, public disclosure of which would constitute irreparable injury to plaintiff. Ecolaire, Inc. v. Crissman, 542 F.Supp. 196, 205 (E.D. Pa. 1982)(citation omitted)

The parties have focused on whether plaintiff has adequately demonstrated more than mere suspicion or apprehension of injury caused by defendant. The Third Circuit in Continental Group quoted from Allis-Chalmers Mfg. Co. v. Continental Aviation & Eng. Corp., 255 F.Supp. 645, 654 (E.D. Mich. 1966): "A trade secret will not be protected by the extraordinary remedy of injunction on mere suspicion or apprehension of injury. There must be a substantial threat of impending injury before an injunction will issue." 614 F.2d at 359 n.14. The court believes the testimony establishes a sufficient threat of impending injury to plaintiff for which money damages would be inadequate.

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Defendant stated at the February 11, 1983 meeting with Mr. Jairett that he disclaimed ownership in the bridge launch mechanism and did not intend to file a patent application on his own behalf. Defendant did not abide by these statements. He proceeded to file an application on his own behalf and his sole attorney at the time threatened to contact plaintiff's customer to advise the latter of the disputed ownership issue. While defendant maintains in his brief that he filed his own patent application to protect the invention due to plaintiff's failure to timely file an application prior to advertising the device in military catalogues, the court feels this was not his sole intent. Defendant's memorandum to S. Bassman clearly suggests defendant's sole ownership of the mechanism. Furthermore, even though defendant apparently did not authorize his attorney to draft and read the above descri-

bed draft letter to plaintiff's president on March 3 (sic) defendant knew of its contents which alleged a dispute over ownership of the device. Defendant certainly could have taken further steps to encourage plaintiff to timely file a patent application if his sole concern was for its protection rather than continuing his efforts to establish sole claim to it. In light of defendant's previous actions the court finds that defendant "has not met [his] burden of foreclosing the possibility of a finding after trial of a real and substantial threat of an unlawful use or disclosure." E.I.duPont de Nemours & Co. v. American Potash & Chemical Corp., 200 A.2d 428, 436 (Del.Ch. 1964). The court is persuaded that plaintiff will suffer irreparable harm vis-a-vis its competitors and its Army customer unless defendant is restrained from disclosing or making use of any confidential informa-

tion relating to the four-bar bridge launch mechanism.

Plaintiff must show it is likely to succeed on the merits of its claims. Plaintiff alleged sole ownership of the bridge launch mechanism based on defendant's execution of the assignment provision contained within the Harsco employee agreement and based upon the common law implications arising from the primary conract of employment. The court finds it unlikely that plaintiff will succeed on its first theory but concludes it will likely succeed on its common law theory.

The court believes it unlikely that the employee agreement was executed ancillary to defendant's taking of employment or was accompanied by any change in employment status. In Morgan's Home Equipment Corp. v. Martucci, 390 Pa. 618, 136 A.2d 838 (1957), the court stated that:

> It has long been the rule at common law, that contracts in restraint of trade made independently of a sale of a business or contract of employment are void against public policy regardless of the consideration exchanged therein. 390 Pa. at 629, 136 A.2d at 845 (citation omitted).

In Capitol Bakers, Inc. v. Townsend, 426 Pa. 188, 231 A.2d 292 (1967), the court found that a covenant in an employment contract executed twelve years after the initial taking of employment was not ancillary to the taking of employment and was without any change in employemnt status (emphasis added). Based upon the facts presented at the hearing, the court seriously questions whether defendant's signing of the agreement on February 18, 1983 was ancillary to his taking of full time employment in early November 1981. If the signing of the agreement was not ancillary, the agreement will likely fail for lack of consideration since plaintiff admitted that defendant's salary increase

and educational benefits were unrelated to defendant's signing of the agreement.[4]

Even though the court questions the validity of the employees agreement, the court believes that plaintiff is likely to establish sole ownership to the four-bar launch mechanism based upon the holding of Goodyear Tire and Rubber Company v. Miller, 22 F.2d 353 (9th Cir.1927) and Koolvent Metal Awning Corp. v. Vamco Mach. Co., 99 Pitts.L.J. 345 (Com.Pl.) (1951). As the Goodyear court stated and the Koolvent court quoted:

> It is not a case of one who, being employed for general service, makes an invention on the side, outside of his line of duty. Defendant was employed exclusively in a department, the function of which was to improve old and discover new processes and devices. Such was the service for which he was paid, and while so employed he was in the regular course of his employment, assigned to the specific task of developing a device to perform the general function for which the invention in suit is adapted. We can see no distinction between a case

> where one is originally employed for the limited purpose of solving a specific mechanical problem, and another case where he is employed generally to concern himself with such problems and during the course of employment and within the scope thereof is assigned to a specific one. In either case the fruits of his endeavor belong to his employer. 22 F.2d at 356, 99 Pitts.L.J. at 346-47.

In both cases the courts found that defendants had been generally employed to further the plaintiff's business and were later assigned a specific task of solving a specific problem. The courts held that the employer was entitled to assignment of the patent rights from their employees[5] See also, U.S. v. Dubilier Condenser Corp. 289 U.S. 178, 215 (1932) (Stone, J., dissenting)(citing cases). Even if this court presumes without deciding that defendant was employed for a general purpose at the time of his full time employment in November 1981, the court finds that his assignment to the team to develop concepts for a bridge launcher mechanism consti-

tuted a specific assignment and entitles plaintiff to an assignment of the patent rights under Koolvent and Goodyear.

Defendant maintained in his brief and defense counsel "testified" in his closing argument that defendant developed the four-bar concept on his own time, without any obligation to do so, "over the week-end." There was no admissible testimony supporting these assertions. Plaintiff offered testimony that defendant participated in the daily meetings held during the time plaintiff was preparing its response to the Army RFP. These meetings covered the development of concepts for the bridge launch mechanism. While there is an exhibit attached to defendant's brief (Doc't. #26 Ex. B) indicating defendant worked extensive voluntary overtime to develop the launcher, there is no statement that the work occured outside plaintiff's facilities. No case was cited for the

proposition that such overtime by a salaried employee defeats an otherwise valid shopright. In the absence of evidence to the contrary, the only logical inference arising from the testimony is that defendant conceived of the concept while in the scope of his employment using plaintiff's facilities at plaintiff's expense.[6]

The court has considered the harm to defendant by granting injunctive relief to plaintiff. The court concludes that the limited extent of the injunction balanced against the harm to plaintiff if no injunction were issued favors plaintiff. The court has limited the injunction to the disclosure of information relating to the four-bar bridge launch mechanism. The court refuses to adopt plaintiff's broadly worded proposed order since it appears to be premised upon the enforceability of the

Harsco employees agreement signed by defendant. In light of the court's conclusion that plaintiff is unlikely to succeed on this theory, the court has drawn the injunction to coincide with the testimony which established the trade secret status solely of the four-bar launch concept.

For the foregoing reasons, the court will grant plaintiff's motion for a preliminary injunction in the manner set forth in the accompanying order.

R. Dixon Herman
United States District Judge

Dated: May 4th 1983

FOOTNOTES

[1]The court granted plaintiff's unopposed motion for a temporary restraining order on March 24, 1983. See Doc't. #2.

[2]28 U.S.C. §1332(a)(1) creates original jurisdiction in the district courts over civil actions where the matter exceeds $10,000.00 and is between citizens of different states.

[3]28 U.S.C. §1332(a)(2) provides that the district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds §10,000.00 and is between citizens of a State and citizens or subjects of a foreign state.

[4]Plaintiff argued that the patent assignment agreement was not a restrictive covenant and thus needed no consideration. The court questions this argument. See AMP, Incorporated v. McCaughey, 38 D.&C.2d 109, 112-113.

[5]The Goodyear court also held that plaintiff was entitled to specific performance of a formal contract requiring defendant to assign to plaintiff defendant's interest in any inventions and patent applications covering inventions made during his employment with plaintiff.

[6]The court has briefly addressed this issue since defense counsel raised it at the hearing. The issue really relates to the "shop right rule" described in Quaker State Oil Refining v. Talbot, 315 Pa. 513, 526-528, 174 A. 97, 103-104 (1934). Defendantconceded in his brief opposing the preliminary injunction that plaintiff had

not relied upon the rule in seeking an injunction. Defense counsel, however, asserted at the hearing that plaintiff in its opening argument had changed its theory and was now relying upon the rule. Assuming plaintiff has raised the shop right issue, the court at this stage finds no merit to defendant's argument as set forth above.

UNITED STATES DISTRICT COURT

FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

HARSCO CORPORATION, Plaintiff

v.

LUCJAN ZLOTNICKI, Defendant

Civil Action No 83-0384

O R D E R

Upon consideration of the factual record developed in this proceeding and the memoranda of law submitted by the parties, IT IS HEREBY ORDERED THAT:

1. Defendant's motion to dismiss for lack of subject matter jurisdiction is denied for the reasons set forth in the accompanying memorandum.

2. Pursuant to Federal Rule of Civil Procedure 65, defendant, his agents, servants and employees are enjoined from disclosing to others or using in any way any information relating to the four-bar bridge launch mechanism and from interfering directly or indirectly with plain-

tiff's use of the engineering design and other information related to the four-bar bridge launch mechanism until this court has had an opportunity to hear the case on the merits.

3. Plaintiff shall post a bond in the amount of $50,000.00 as security for the issuance of this order. The bond shall be posted by May 6, 1983 at 5:00 p.m.

R.Dixon Herman
United States Distric Judge

Dated: May 4th, 1983

APPENDIX G

APPENDIX G

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

ARSCO CORPORATION 60 Poplar Road amp Hill, PA 17011 717) 763-7064	:	CIVIL ACTION
Plaintiff	:	
vs.	:	
UCJAN ZLOTNICKI 591 Hillcrest Road .D.#3 pring Grove, PA 17362: 717) 225-1772	:	
Defendant	:	NO. 83-0384

AFFIDAVIT IN OPPOSITION TO PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

OMMONWEALTH OF PENNSYLVANIA :
ss
OUNTY OF PHILADELPHIA :

Lucjan Zlotnicki, being duly sworn, deoses and says:

1. I am an adult individual and the efendant in the above-captioned matter. I ave personal knowledge of the matter herenafter referred to, and make this affidavit n opposition to the Plaintiff's Motion for ummary Judgment.

2. I am 32 years old, and currently reside at 3591 Hillcrest Road, R.D. #3, Spring Grove, Pennsylvania, 17362.

3. I received a Master of Science Degree in Mechanical Engineering and Applied Mechanics at the University of Pennsylvania, and I am currently a candidate for a Ph.D. in this field, also at the University of Pennsylvania.

4. I have more than ten (10) years experience as a mechanical engineer, scientist and technical college lecturer.

5. I was employed by BMY, a division of Harsco Corporation, as a Staff Engineer from November 2, 1981 to March 24, 1983, at which time I was terminated without any notice or warning.

6. BMY is a division of the Plaintiff and manufactures military track vehicles based upon designs submitted to it by the purchaser. BMY may modify a design or may add features not included in the original design.

7. Plaintiff is not engaged in creating "concepts" or "concepting" military track vehicles, but only the manufacture of vehicles based upon designs, concepts and purposes given to the Plaintiff by the purchaser.

8. Plaintiff employs persons who have general education in engineering, but none of them were employed having specialized training or expertise in specific engineering analytical fields or in vehicle engineering.

9. Plaintiff consulted engineers who were not employees of the Plaintiff whenever Plaintiff had technical problems requiring expert of specialized knowledge or whenever performance testing was required.

10. Contrary to any testimony, BMY, not being a developer of concepts or originator of designs, BMY does not employ any engineers to do so, and nor are they expected to do so.

11. My resume was submitted to Mr. Jairett on or before June 3, 1981, and he told me

at the interview on June 23, 1981, that I was more qualified than required for the job opening for a mechanical engineer, but that my qualifications were so germane to vehicles that I would be employed to perform certain duties defined as performing mathematical analysis and advising when such analysis should be required, and that my services would be available to any department or section. Mr. Jairett told me that I was not employed for the purpose of design or development of designs as the company had no need for my skills in the design area.

12. Mr. Jairett created a position entitled "staff engineer" and wrote a job description on July 13, 1981, based upon our discussion on June 23, 1981. That description is attached hereto as the correct job description as agreed. (Exhibit "A"). Mr. Jairett testified that the job description presented as Plaintiff's Exhibit 2 was the job description to which we agreed (N.T. 46),

however, this was never reviewed with me, or seen by me, at any time prior to the Plaintiff's presentation of it in the courtroom.

13. The position was offered to me by a job offer letter, which is attached hereto as Exhibit "B", along with a corrected job description (Exhibit "A"), such correction changing the reporting relationship to Assistant Chief Engineer and not "manager of R&D" as no such department or manager existed. See Exhibit "D".

14. Upon receipt of the items mentioned in Paragraph 12 above, I notified Mr. MacIlvaine of the Industrial Relations Department that I accepted the job, and I first went to work on October 6, 1981, on a part time basis, and began full time employment on November 2, 1981. Mr. Jairett stated that I began work in August, 1981 (N.T. 19), which is a misstatement of fact.

15. I was not hired for any research and development, as there was none, and I

was not hired to design anything, as I was told that the company had no need for such services and would not pay a salary for design services it did not need. All hiring discussions and job duties were discussed with Mr. Jairett, and other details were discussed with Mr. MacIlvaine.

16. I was never informed while in Plaintiff's employ or before employment, verbally or in writing or otherwise, that the Harsco Agreement is a standard requirement for employment.

17. My job letter, my job description, and none of the discussions with Mr. Jairett or Mr. MacIlvaine refer to, mention, indicate or suggest the existence of any Harsco Agreement (on patents), and I had no knowledge of any such Agreement or requirement. I had no reason to suspect the existence of any such conditions as my job duties. Exhibit "A" or "B" hereto attached did not require any research, development, design or invention on

my part.

18. Contrary to the testimony of Mr. Jairett (N.T. 28) (Plaintiff's Memorandum, P. 5), I attended only one technical-engineering seminar at Daytona Beach, at an expense of $1,460, not $2,200, and only one trade show (Washington, D.C.), and two U.S. Army seminars in Detroit, and contrary to the testimony, none of these trips involved research or development concepts or study or review of the state of the art. The purpose of my attendance was principally to represent the company, meet people, and get an overview of the industry.

19. I requested permission to attend technical engineering seminars, but my requests were denied.

20. Plaintiff, BMY, did not subscribe to any technical, engineering, or scientific journals, nor did it maintain an engineering library. The library consisted of military requests for proposals, and military speci-

fications, and records of previous manufacturing jobs, and other inter-office memoranda.

21. The Plaintiff did not maintain computer programs for state of art engineering, which would be a basic requirement for any modern design analysis.

22. My duties as staff engineer were to utilize state-of-the-art of analysis, which is a branch of mathematics, to solve complex mathematical problems as applied in engineering, and based on results of such calculations deliver professional or technical advice for all engineering sections when so requested. Mathematics utilization was to be my contribution to any project at BMY.

23. As staff engineer and in accordance with my job description (Exhibit "A"), I was not required or expected to solve engineering or scientific techniques, but simply to mathematically analyse the physical properties and capabilities of the subject matter or object.

24. Contrary to any testimony or argument

ade by the Plaintiff, I was not directed, in-
tructed or ordered to perform any task re-
uiring my knowledge or use of my technical
nowledge of the state-of-the-art technology.
y function was simply to perform mathematical
alculations on any design submitted to me.

25. Contrary to Plaintiff's Memorandum,
ages 5 and 6, the RFP did not call for the
evelopment of a state-of-the-art launch
echanism. The RFP called for a heavy assault
ridge, with specifications provided, and for
ny launcher capable of launching the bridge
s specified. This means that the launcher
ould be an existing launcher or one that has
een redesigned. I do not have a copy of
he RFP to attach hereto.

26. I was never assigned to a team of
ngineers. The only "team" I was ever assign-
d was a computer selection committee. I was
ot assigned to the team which worked on a
ridge launcher.

27. I was never directed, instructed or

sked to utilize state-of-the-art engineering echniques to develop, "concept" (sic), in- ent or design anything whatsoever, and this ncludes a bridge launcher.

28. The Plaintiff directed its engineers f whom I was not one, to extent the existing aunch mechanism to handle the bridge pro- osed by the Israelis, which conformed to he specifications in the RFP.

29. I was asked to perform mathematical alculations to determine numerically the verturning moment generated by the theoreti- al bridges counterweighted by one of two ifferent vehicles. All numerical values escribing physical properties needed to be ubstituted into mathematical formula were iven to me. After I solved the equation, expressed the opinion to Plaintiff that he existing launch mechanism would not work ecause a support point location would have o be too far away from any vehicle used. I as asked to make myself available and to be

ready to perform the same calculation again as the numerical values describing the physical properties might be updated or changed by their originators (U.S. Army and IMI). I complied with the request by being present at work on the days and hours that the engineers were working on the extension of the existing bridge launcher.

30. Although the salaried engineers assigned to the extension design for the existing bridge launcher received overtime compensation, my request for overtime was denied contrary to BMY policy (Exhibit "C").

31. Contrary to the testimony of Mr. Jairett at pages 31-32, I did not and was not requested to attend daily or frequent technical meetings, or "brainstorming". See page 58. Mr. Jairett did not attend all of any such meetings and therefore he would not know who was present or what actually took place, and to my knowledge, he did not attend any such meetings.

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32. I was asked to attend three or four meetings at which there was a review of the changes which were being promulgated by the United States Government with regard to the RFP or by Israelis with regard to a bridge. Where such changes contained changes of numerical values of physical properties, I was requested to perform the mathematical calculations, which I did.

33. Contrary to the testimony of Mr. Jairett at page 31-32, and page 58, I am not aware of any meetings that took place to develop alternative concepts or designs, or to "prioritize" concepts, as I was not invited to any such meetings, nor did I hear or learn of any such meeting or observe any use of the conference room for any such meetings, and if such meetings would have occurred, I would have been invited for my mathematical analysis.

33. Regardless of my job descriptions, I was never directed, instructed, ordered,

asked or otherwise suggested to invent, research, develop, or design anything for the Plaintiff.

34. I performed the mathematical calculations and gave my opinion that the existing launcher would not function and if BMY proposed it, or some modification of it, the results would be unfavorable. Beyond these mathematical calculations, nothing more was asked of me. When I went home, I was fascinated by the problem and my curiosity led me to play with some designs on my own, and as a result, I invented what I called the four-bar bridge launcher. I did this at home, with my tools, and using nothing that belonged to the Plaintiff. I made a design sketch, and I prepared a technical description with the intention of seeking a patent.

35. I came to work and communicated by BMY that I had an idea and a sketch which I thought would produce a launcher capable of meeting the specifications of RFP, and I

told them I am going to get a patent. I was told that there was no time to look at new ideas, and then after looking at it, because of my persistence, they looked at it and flatly rejected it. The Israeli Representative was brought into the discussion, and he recommended that the idea be used as it was most likely to obtain the U.S. Army contract.

36. The Plaintiff came back to me asking if I would be willing to make my invention available to Plaintiff despite their previous rejection.

37. I explained to Mr. Bassman and Mr. Koster that I would be willing to give the invention to the Plaintiff provided that the Plaintiff would make some payment in addition and above my salary, and that the Plaintiff sign the Patent Agreement that I had proposed in January, 1982, and authority to work on final design plans in the event the contract was granted, and that the invention would remain confidential until the patent

was secured, and that all details be wrapped up before the contract would come in.

38. In December, 1981, a colleague had made an invention, and BMY gave him a Harsco Agreement to sign, and he showed it to me, and that was the first time I ever knew such a paper existed. I made a copy and sent it to Mr. Corson, my attorney, for his advice in the event that I would ever be asked to sign it. I did not like their terms, but wanted to develop an agreement that would be mutual. My attorney responded. (Exhibit "E") (Exhibit "F"). As a result of these consultations, I made an agreement form for submission to BMY because it was my intention to make BMY privy to an invention concerning a wheel, that I invented and used when I was in Poland. I thought that the invention would be of value to BMY, and if I were to offer it, I wanted to do so by a mutual agreement. My agreement, which I submitted in January, 1982, is in the pos-

session of BMY, the significant difference was that my proposal called for remuneration in an unspecified amount over and above my salary. My proposal was submitted to Mr. Koster, and I was told that it would be reviewed above, and I would learn the answer in due course. I withheld discussion on my wheel invention with anyone at BMY at that time, but made frequent inquiries about the proposal, so that we could go forward with my invention. Despite the inquiries, I never received a definite reply, but that the proposal was being reviewed. By the end of May, 1982, Mr. Koster's secretary came to me and said that the Personnel Department sent the standard Harsco Agreement to her to obtain my signature. I refused to sign it and told her that my proposal was pending since January, 1982, about which I had heard nothing. That was the only and last time that the standard agreement was ever presented to me for signature before the dispute

in question arose and after I invented the four-bar launcher in August, 1982.

39. I invented the four-bar launcher, alone, and I made it available to my employer, BMY, with the expectation of compensation which I had reason to believe I would receive, as stated in paragraph 37 above.

40. The Plaintiff used my invention, and obtained a contract and without my invention, would not have obtained the contract.

41. The Plaintiff knew long before I invented the four-bar launcher that I would not sign the standard agreement, and that I had submitted my proposal for a patent agreement. So, at the time of my disclosure to the Plaintiff, we both knew that we had to resolve the amount of remuneration over and above my salary, which amount was yet to be discussed.

42. Plaintiff was not aware of the existence, name and properties of a four-bar linkage prior to my disclosure. Plaintiff did not determine what might be patentable

in my invention. I made that determination, and informed the Plaintiff. No other employee or person worked on my invention, and the Plaintiff knows that I am the only inventor. No team "brainstorming" committee, or any other combination of persons at BMY or elsewhere had anything to do with my invention. It was not even remotely conceived by any employee of BMY. When I first presented it, the idea was flatly rejected as being a waste of time, and if the Israeli colonel had not said to BMY people that my idea was "it", the likelihood is that BMY would never have had the benefit of it at all.

43. Contrary to the testimony, I was not directed by Plaintiff to cooperate with Plaintiff's patent attorneys. The Plaintiff asked me if I would be willing to accept Plaintiff's patent attorneys as my agents at Plaintiff's expense for prosecution of this patent, and I accepted Plaintiff's patent attorneys as my agents.

44. Contrary to testimony that my name was used to "identify" me as the inventor on the patent application simply to comply with the completion of the form is a falsehood. I am the sole inventor.

45. I was not directed to cooperate with Plaintiff's patent attorneys. I chose to use Plaintiff's patent attorneys as my agents for the prosecution of my invention because Plaintiff induced me to use their attorneys on the basis, inter alia, that I would receive some additional remuneration over and above my salary at such time as I agree to assign my invention to Plaintiff. See Paragraph 37 above. I was given reason to believe that my proposal was under consideration and that some arrangements would be worked. At one time I was told that corporate counsel was studying my proposal.

46. Contrary to testimony, I did not refuse to cooperate with Plaintiff and Plaintiff's patent attorneys in seeking a patent

for the bridge launch mechanism. I did communicate, cooperate, instruct, gave guidance and information on every material aspect concerning my invention to the patent attorneys until the Plaintiff ordered me not to communicate with the attorneys any longer unless the attorneys called me, and then, I was directed to discuss only technical matters and not to even mention related material aspects.

47. I was ordered not to communicate with the patent attorneys because I had raised my concern with the patent attorneys about compensation which the patent attorneys reported to BMY (Exhibit "G"). I also was very interested in the patent, because it is mine, and I wanted it filed of record before the contract was issued by the U.S. Army. Also, I had learned from the patent attorneys that they submitted the results of their patent search to BMY, and that BMY did not instruct the patent attorneys to file for

nearly three months thereafter. I personally made an inquiry of Mr. Jairett, and because of the inquiry, he attempted to locate the patent search papers, but could not find it. I called the patent attorneys to send a duplicate, which they did. (Exhibit "H"). The letter of patent attorneys dated February 28, 1983, recites a telephone call of mine to them on February 9, 1983, which lead to the meeting I had with Mr. Jairett, with Mr. Koster and Mr. Bassman, on February 11, 1983, at which time I was confronted by Mr. Jairett about my memo of February 8, 1983 (Exhibit "I"). He called me names, threatened me, told me that I was bringing too much attention to him. I explained my situation, my proposal, that I did not get an answer but that I was promised that I would get something. He told me that he would personally attend to my proposal within one week, and that I should get him "out of the spotlight" by signing the Standard Agreement. He did

not have a form to sign, so on February 18, 1983, Mr. Koster brought to me the form, which I signed and dated February 18, 1983, and at Mr. Koster's suggestion, I attached a copy of my proposal, which I did. (Exhibit "J") (Exhibit "K").

48. Mr. Jairett, despite his promise, did not come back to me about my proposal, but his secretary simply brought back to me the Standard Agreement on March 15, 1983 (Exhibit "J").

49. I did file a patent application for the bridge launcher on my own name as required by law. I did it because I am the sole inventor of the four-bar linkage launcher; United States Patent Law stipulates that only the actual inventor can legally file a patent application for an invention; the Plaintiff refused after certain point to allow me to communicate with my agents for prosecution of the patent who were at the same time Plaintiff's patent attorneys leaving

me with no other choice but to file my own application in order that the application would be made in a timely fashion so as to protect my valuable intellectual property; on several occasions documents pertinent to this patent application which were sent by my agents to Plaintiff's place of business with intention to be delivered to myself by the Plaintiff upon receiving, were lost or mislaid by Plaintiff and this caused an approximate three month delay in preparation of documentation for filing.

50. Because I could get no response on my proposal from Mr. Jairett, and I didn't want to have an open dispute with him or involve my colleagues, or lose my job, I decided to consult Mr. Long, an attorney in York, Pennsylvania, to take this matter up with BMY. Mr. Long tried to reach the President of BMY on March 22, 1983, without result, then again on March 23, 1983, and then the patent attorney contacted him and

after they spoke, Mr. Long was invited to come to Harsco office on March 24, 1983. At the same time, at the BMY building, I was fired.

51. Despite any testimony to the contrary, I, at no time, disclaimed my full and complete right, title and interest in the patent.

52. Prior to the filing of the patent, I interceded to prevent reckless, negligent dissemination of my invention. (Exhibit "I").

53. Mr. Jairett testified that my invention was protected by the legend of "proprietory data" having been posted on each page of the Response to the RFP, however, the Armed Services Procurement Regulations (ASPR) were amended in May, 1964, to eliminate this concept as a means of protection. Therefore, protection must be obtained by a patent.

54. I was not aware of what would be said by my attorney to the Plaintiff, and I

was not aware of any such draft letter. The transcript on page 90 lines 8 to 11 reads: "He would have been aware. . . ." The Court's Memorandum attached to Preliminary Injunction Order reads: "he was aware. . . ."

55. I never intended to disclose to anyone but Plaintiff any information about my invention.

LUCJAN ZLOTNICKI

SWORN TO AND SUBSCRIBED:

BEFORE ME THIS 25th DAY:

OF AUGUST, 1983.

SEAL

NOTARY PUBLIC

APPENDIX H

APPENDIX H

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

HARSCO CORPORATION	:	CIVIL ACTION
	:	
VS.	:	
	:	
LUCJAN ZLOTNICKI	:	NO. 83-0384

AFFIDAVIT IN SUPPORT OF DEFENDANT'S
MOTION FOR RECONSIDERATION

COMMONWEALTH OF PENNSYLVANIA:
SS:
COUNTY OF PHILADELPHIA:

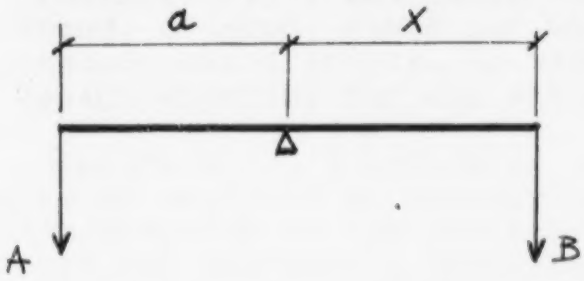
LUCJAN ZLOTNICKI, being duly sworn according to law, deposes and says that he has personal knowledge of the following facts and makes this Affidavit in support of my Motion for Reconsideration:

I was not hired as an engineer. Rather, I was hired by BMY with the job title of "Staff Engineer". This is somewhat confusing on the surface in that I did not function as an engineer as ordinarily understood. I did not construct, design, contrive, invent or bring about concepts nor check or direct or become privy to such activities, and I was never requested to do so.

According to my job description, I was hired only as a mathematical analyst to perform mathematical analysis within the area of dynamics, which is not engineering. Dynamics is a field of mathematical physics called Mechanics.

I was never called upon to do engineering calculations for a bridge launch mechanism (the L-Foot) that BMY decided to develop in response to a U.S. Army Proposal made in July of 1982.

To the contrary, I was only asked by my superiors to do basic moment calculations on the existing (not any redesign) L-Foot bridge launch mechanism. This type of calculation is not an engineering calculation, but a physics (lever) or mathematics (proportions) calculation based upon the following formula:



$$X = \frac{A}{B} a$$

or

$$\frac{X}{a} = \frac{A}{B}$$

Specifically, the mathematical calculations that I was asked to perform were to determine numerically the overturning moment generated by the theoretical bridge as counterweighted by one of the two different vehicles. All numerical values describing physical properties needed to be substituted into mathematical formula were given to me. It was not engineering on my part, or anything remotely related thereto. Just a mathematical calculation.

The Request for Proposal (RFP) did not call for the development of a state of the art launch mechanism, nor was anyone asked to develop one. The RFP called for a heavy assault bridge (HAB) with specifications provided. New specifications were not asked for by the RFP and BMY did not ask me to direct my attention to such problem. I was only asked to see if the existing launcher could handle a longer bridge. I was not asked to propose anything new. In fact, I was told not to propose anything at all.

This invention did not result from, nor was it suggested by my work for Harsco. My invention was entirely different from the requirements of the RFP; and when I offered it for Plaintiff's consideration, it was rejected twice as being unresponsive.

Furthermore, I was never directed, instructed, ordered, asked nor was it even suggested that I invent, do research, develop, or design anything for the Plaintiff.

Specifically, I was never asked or directed to do anything in connection with Plaintiff's response to the RFP other than to perform the previously described mathematical calculations. My work was only to do what my superiors asked of me, and the only task assigned to me was to make myself available to those employees working on the bridge launch mechanism in order to do any mathematical calculations that were needed. That was my only function and my only job and it was never enlarged or expanded by Plaintiff prior to my inventing the 4-Bar.

Also, the response to the RFP for a HAB was not even within Plaintiff's line of work as I came to know it during the course of my employment, and from familiarizing myself with the vehicles they had produced. BMY, to my personal knowledge, is a build to print house which did some redesign work of existing vehicles but no original design work. Also, no prior work in this area was ever done or even attempted by Plaintiff to the best of my knowledge.

I did not spend <u>one minute</u> of the working day on my invention. I created it from start to finish in my own home on my own time. The concept, my drawings, my models, the name of the invention, everything - it was all done exclusively at my own home, not at BMY.

At home, over the weekend of August 7 and 8 of 1982, on my own time, I invented the so-called 4-Bar Bridge Launch Mechanism using my own materials and books, and prepared a model of the invention and a drawing. I concluded all my design by Sunday, August 8, 1982.

My invention had nothing to do with any existing launcher, nor does it have anything to do with the existing launcher redesign done by Plaintiff after I invented the 4-Bar Application.

I was called to a meeting on 2/11/83 by Mr. Jairett where Mr. Koster and Mr. Bassman were also present. Mr. Jairett humiliated, harrassed and cursed me, and told me that unless I signed the Employee Agreement, I would immediately be fired. He also stated that unless I cooperated, they would have me deported and investigated by the FBI. Under these circumstances, I saw no alternative but to sign the Agreement. Further, I was also told by Jairett that if I did sign the Agreement, he would personally attend to my proposal for an invention assignment agreement and advise me within one week of its status.

I did not want to lose my job, which was my sole source of income. I didn't want to be forced to stop attending the University because of the lack of funds. I had a wife, and a five month old child. I didn't know how I could get another job without a reference letter, and it would cost me money to defend myself against the company's charges and to obtain counsel. Counsel could only instruct me to sue and be terminated, or simply have faith in what Mr. Jairett said would happen to my version of the agreement. Mr. Jairett wanted some time, and I gave it to him because I did

not have any realistic choice. I saw myself on the outside, unable to get a job and without the funds to protect my rights, while BMY had my invention and was making money.

Mr. Jairett did not respond as he promised, but shortly thereafter, I was fired.

LUCJAN ZLOTNICKI

SWORN TO AND SUBSCRIBED

before me this 14th day

of December A.D., 1984.

SEAL

NOTARY PUBLIC

APPENDIX I

APPENDIX I

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

BMY, a division of Harsco Corporation, Petitioner	:	
v.	:	NO. 3351 C.D. 1984
COMMONWEALTH OF PENNSYLVANIA, UNEMPLOYMENT COMPENSATION BOARD OF REVIEW, Respondent	:	

BEFORE: HONORABLE JOSEPH T. DOYLE, Judge
HONORABLE JAMES GARDNER COLINS, Judge
HONORABLE GENEVIEVE BLATT, Senior Judge

ARGUED: December 9, 1985

OPINION BY JUDGE COLINS

FILED: February 3, 1986

Petitioner, Bowen-McLaughlin-York Company (BMY), seeks review of an order of the Unemployment Compensation Board of Review awarding benefits to its former employee, Lucjan Zlotnicki (clainant). BMY alleges that claimant should be denied benefits on account of willful misconduct in accord with Section 402(e) of the Unemployment Compensation Law (Act).[1]

BMY is a division of Harsco Corporation engaged in defense contracting work, including both general and directed research and development (R & D).[2] Claimant was hired by BMY in October of 1981. During his tenure there, claimant invented a device called a "Four (4)-Bar Bridge Launch Mechanism" for use in the assault phase of a military land vehicle operation which was used by BMY to meet specifications required by a joint U.S.-Israeli military project. An ownership

dispute regarding the invention between the parties led to claimant's termination. BMY now alleges that claimant was insubordinate and engaged in willful misconduct resulting in his termination during the course of the dispute and urges that the Board's award of benefits be reversed.

The factual matrix is convoluted from which we have distilled the following. Claimant, a native of Poland, with resident alien status in the United States, was hired by BMY in the fall of 1981 directly out of a teaching post at Spring Garden College. In the summer of 1982, he developed the device and turned it over to his employer. There is some controversy as to whether claimant was part of a team assigned to work on the U.S.-Israeli project and what his designated role was. BMY then asked claimant to sign a contract turning ownership over to BMY of all inventions developed during the term of employment. Such a con-

tract was normally signed by BMY employees engaged in general R & D, but not by employees engaged in directed R & D. No contract had been presented to claimant at the start of his employment. Claimant did not sign and instead presented BMY with a contract of his own possessing different terms. BMY never signed this agreement. Claimant testified that he had never been assigned to the team working on the U.S.-Israeli project, that he invented the device while working at home, and therefore, believed the invention to be his. Because the claimant did not receive the compensation or promotion he evidently had hoped for in turning over the device to BMY, he continued to claim ownership rights in the device. The company used the device to successfully meet the project specifications of the U.S.-Israeli project and win the Army contract for manufacture.

In February of 1983, claimant did sign the employment contract, allegedly under

threats of termination and deportation and allegedly in the subjective belief that the contract would have prospective effect only. He also attached a copy of his alternate agreement, which BMY never signed or honored in any fashion. Within a week or two BMY took steps to patent the device as its own, prompting claimant to patent the device himself and pursue through retained counsel a course of negotiation with BMY regarding the rights to the device. This led to his sudden termination in March of 1983.[3]

The Board found that BMY failed to meet its burden as employer of showing willful misconduct. See Lake v. Unemployment Compensation Board of Review, 48 Pa. Commonwealth Ct. 138, 409 A.2d 126 (1979). Where the party bearing the burden of proof does not prevail before the Board, this Court's scope of review is limited to a determination of whether there has been a capricious disregard of competent evidence or whether the Board has committed an error of law. Dunkle v.

Unemployment Compensation Board of Review, ___ Pa. Commonwealth Ct. ___, 496 A.2d 880 (1985).

BMY contends first that the decision below is in error because the Board capriciously disregarded competent evidence in finding that BMY failed to meet its burden of proof. We disagree.

BMY's witness at the hearing was a Mr. Snodgrass, a vice-president in its employee relations administration department. He was the only witness to testify as to BMY's allegations that claimant was insubordinate; had refused to sign an employee agreement as was required of him; had stolen trade secrets of the employer; had threatened to interfere with a contract between BMY and the Army regarding the device; and had filed a patent as to the device without knowledge of BMY.

The terms and conditions of employment, as well as the legal ownership of the invention, were and are matters of considerable

dispute between the parties. In this case, claimant testified that he was assigned to a directed R & D department to make metallurgical calculations for project engineers and was never required to sign a contract regarding ownership rights as invention was not a part of his duties. He further testified that he invented the device on his own and believed it to be his, and that in giving it to the company to use, he expected either compensation or a share in the profits.

The record demonstrates that Snodgrass had no first-hand knowledge of any of the relevant events contended by BMY to have constituted willful misconduct on claimant's part. He had no connection whatsoever with the hiring, supervision, or termination discussions regarding claimant, and only executed a superior's order in actually terminating claimant. His testimony consisted largely of assertions and speculations as to policies in claimant's work department.

Aside from Snodgrass, BMY also presented to the referee a transcript of testimony from a preliminary injunction hearing before the Honorable Sylvia Rambo, Judge of the Federal District Court of the Middle District of Pennsylvania, held in connection with a separate proceeding involving ownership of the device.[4]

Where the alleged willful misconduct is the violation of a work rule the burden is on the employer to prove both the rule and the fact of its violation. Sonat Marine, Inc. v. Unemployment Compensation Board of Review, ___ Pa. Commonwealth Ct. ___, 499 A.2d 718, 721 (1985). The Board, as ultimate factfinder, determines the weight and credibility ofthe evidence presented to it and is free to reject even uncontradicted testimony. Swope v. Unemployment Compensation Board of Review, ___ Pa. Commonwealth Ct. ___, 497 A.2d 289 (1985). Questions of credibility and resolution of conflicts are

for the Board, not this Court. Saxton v. Unemployment Compensation Board of Review, 71 Pa. Commonwealth Ct. 636, 455 A.2d 765 (1983).

Here, the Board found claimant credible in nearly every respect and resolved conflicts of testimony in his favor. On review, we cannot say the Board in its role as factfinder capriciously disregarded competent evidence. Snodgrass was not competent to testify as to material issues in the proceeding. The claimant and his witness, an attorney who had represented him during the ownership dispute, did not testify in a fashion supporting BMY's version of the events.

BMY, rather than bringing additional witnesses to the referee's hearing, chose to submit the transcript from the federal hearing. Although the transcript was admitted over objections from counsel for the claimant, the mere admission into evidence of the transcript does not bind the referee to believe

the transcript or to make the same determinations as did the Federal Judge. Credibility is exclusively within the province of the referee and the Board as factfinder. Swope; Saxton. Moreover, the Board was free to make adverse inferences from the fact that the witnesses who testified at the injunction hearing did not testify at the unemployment compensation hearing, and such inferences can be used to weigh the credibility of evidence offered by the party having the burden of proving willful misconduct. Vann v. Unemployment Compensation Board of Review, ___ Pa. ___, ___, 494 A.2d 1081, 1084 (1985); Harring v. Unemployment Compensation Board of Review, 70 Pa. Commonwealth Ct. 173, 452 A.2d 914 (1982); Caloric Corp. v. Unemployment Compensation Board of Review, 70 Pa. Commonwealth Ct. 182, 452 A.2d 907 (1982). Consequently, we cannot find a capricious disregard of competent evidence on the record before us.

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BMY next argues that the refusal to sign the ownership agreement and the actions of claimant in patenting the device and retaining counsel were willful misconduct as a matter of law and that the Board erred in this regard. We disagree with this approach. The issue of what specific behavior constitutes willful misconduct, while ultimately a matter of law, must depend in large part on the factual determinations of the Board as factfinder. No authority is cited to us establishing that retaining counsel and patenting an invention while in the employ of a defense contractor is always willful misconduct as a matter of law. The burden is on the employer to make this showing, and the Board did not err in finding against BMY.

BMY's next contention is that the Board erred in determining that claimant had good cause for his acts. The burden of showing good cause is on the claimant, Elliott v.

Unemployment Compensation Board of Review, 82 Pa. Commonwealth Ct. 107, 474 A.2d 735 (1984), and the scope of review where the claimant meets that burden is whether the record, taken as a whole, contains substantial evidence to support the Board's conclusion, or whether errors of law were committed. Swope v. Unemployment Compensation Board of Review, ___ Pa. Commonwealth Ct. ___, 497 A.2d 289 (1985). See Frumento v. Unemployment Compensation Board of Review, 466 Pa. 81, 351 A.2d 631 (1976).

We feel that the Board's finding of good cause was supported by substantial evidence. BMY's argument is that because the Middle District of Pennsylvania issued an injunction in May of 1983, subsequent to claimant's termination in March of 1983, barring him from using the device, and in November of 1984 resolved the ownership dispute in BMY's favor,[5] the claimant, therefore, had no reasonable justification for his actions in

disputing ownership of the device and taking the steps of patenting the device and retaining counsel. BMY also argues implicitly that the Board is precluded by principles of res judicata and collateral estoppel from making independent findings regarding the matter.

We cannot agree with either line of reasoning. First, the determination of good cause in this case must be assessed from the vantage point of the claimant at the time of his actions. That is the meaning of the test of reasonability and justifiability under the circumstances as outlined in Frumento, 466 Pa. at 87, 351 A.2d at 634. At the time claimant was employed by BMY, in late 1982 and early 1983, ownership of the device had not yet been established by a court of law. The question of whether the claimant believed he possessed a colorable claim to ownership was one of fact. This was resolved by the Board in favor of

claimant based upon substantial evidence in the record.

Second, the finding of the Federal Court cannot be held to have any res judicata or collateral estoppel effect in a separate proceeding involving identical parties where the actions, relief sought, and issues of law are so clearly different. The doctrine of res judicata applies only when there is a concurrence of (1) identity of the thing sued upon; (2) identity of the cause of action; (3) identity of the persons and parties to the action; and (4) identity of the quality or capacity of the parties suing or sued. Lerner v. Philadelphia Psychiatric Center, 56 Pa. Commonwealth Ct. 421, 425 A.2d 470, 471 (1981). Likewise, a plea of collateral estoppel may only be entertained if: (1) the issue decided in the prior adjudication was identical with the one presented in the later actions; (2) there was a final judgment on the merits; (3) the

party against whom the plea is asserted was a party orin privity with the party to the prior adjudication; and (4) the party against whom it is asserted has had a full and fair opportunity to litigate the issue in question in a prior action. Baker v. Pennsylvania Human Relations Commission, 75 Pa. Commonwealth Ct. 296, 308, 462 A.2d 881, 887 (1983), modified on other grounds, 507 Pa. 325, 489 A.2d 1354 (1985). In Baker, it was held that absent an "identical identity" [sic] of issues, id., the findings of a Federal District Court in a separate proceeding were not binding on an administrative agency. Moreover, it is readily apparent that there was no final adjudication on the merits as of the time of the referee's hearing in June-July of 1983 or the Board's decision in October of 1984, since Judge Caldwell's order was not handed down until November of 1984.[6] Consequently, the doctrines of res judicata and collateral es-

toppel cannot be held in this case to have precluded the Board from executing its proper factfinding role.

Third, because the required burden of proof in the two proceedings was different, evidence disregarded by the Federal Judge in the contract proceeding could be relied upon by the Board in the compensation hearing. In issuing its orders, the Federal Court relied almost exclusively upon the written contract signed by claimant in February, 1982, a month prior to his termination. Affirmative defenses of duress, mistake and fraud, raised by claimant in the federal proceeding, had to be proven by clear and convincing evidence to bar enforcement of the contract. The Board in a compensation proceeding is not bound by such a strict standard of proof. Such issues need only be raised by testimony or even inferred from a lack of testimony at a Board proceeding or referee's hearing to serve as substantial

evidence supporting the Board's findings.[7] Claimant testified before the referee that he signed the February 18, 1983 agreement under threats of termination and deportation,[8] contentions which under the evidentiary standards of a compensation hearing were entitled to weight in the Board's decision, even if they may not have sufficed to persuade the Federal Court to set aside the contract on equitable grounds.[9] Similarly, evidence that claimant had a subjective understanding that the contract was to have prospective effect only, while barred as an affirmative defense in the federal proceeding under classic principles of contract law, is nonetheless relevant at a compensation hearing to show whether claimant had good cause for his actions under the circumstances.[10]

For the above reasons, the Board's decision will be affirmed.

JAMES GARDNER COLINS, JUDGE

FOOTNOTES

[1]Act of December 5, 1936, Second Ex. Sess., P.L. (1937) 2897, as amended, 43 P.S. §802(e).

[2]General R & D, called "design and development," involves the development of new approaches to a specific or general design problem. Directed R & D, called "support," involves problems of construction and manufacture of a given design or set of specifications.

[3]The termination allegedly was communicated to counsel for claimant who had arrived at BMY for what was supposed to be a negotiation session. Counsel for claimant had allegedly threatened to tell the U.S. Army that the patent for the device was in dispute. Counsel also learned of the existence of a temporary restraining order against claimant at the same time, see notes 4 and 5.

[4]Harsco Corp. v. Zlotnicki, Civil Action No. 83-0384 (M.D. Pa., injunction hearing held April 22, 1983) (Harrisburg, Pennsylvania).

[5]Harsco Corp. v. Zlotnicki, Civil Action No. 83-0384 (M.D. Pa., injunction order filed May 4, 1983) (R. Dixon Herman, J.); (M.D. Pa., memorandum opinion filed November 27, 1984 (William W. Caldwell, Jr.) (granting summary judgment to BMY in declaratory judgment action).

[6]See note 5. We were told by counsel for respondent in his brief and at oral argument that this decision had been appealed to the Third Circuit, but no citation to a

docket number or entry of appeal was noted as is required by Pennsylvania Rule of Appellate Procedure 2153. In fact, the Third Circuit has recently affirmed the decision of the Middle District Court. Harsco Corp. v. Zlotnicki, No. 85-5149, slip op. (3d Cir. December 17, 1985). In affirming the decision of the trial court, the Third Circuit panel relied exclusively on the written terms of the contract and upon claimant's failure to meet the strict requirements of a duress defense. Consequently, this decision has no preclusive effect on the Board's factfinding for the same reasons set forth in the text. We note also that claimant has a wrongful discharge suit pending against petitioner, docketed at No. 84-0405 (M.D. Pa.).

One crucial point stressed in the Third Circuit's opinion isthat BMY proceeded on two theories, one a common-law right, the other a contractual right. The Middle District denied a motion for summary judgment based on the common law right to the device. Thus,claimant was probably justified in assuming that he had colorable title under at least common law principles, so long as the contract could be set aside somehow.

[7]To be affirmed on review, the Board need only have relied on substantial evidence and this is a lesser standard than the preponderance and clear and convincing standards. See Dempsey v. Unemployment Compensation Board of Review, ___ Pa. Commonwealth Ct. ___, ___, 499 A.2d 740, 741, n.2 (1985). Substantial evidence is correctly defined as such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. Peak v. Unemployment Compensation Board of Review,

___ Pa. ___, ___ A.2d ___, (No. 45 W.D. Appeal Docket 1984, filed December 12, 1985).

[8]The employer allegedly threatened not only to terminate him, but also allegedly threatened to jeopardize his status as a resident alien.

[9]Likewise, the determination of guilt or innocence in a criminal proceeding may not be dispositive of the issue of just cause for termination in a civil proceeding. See Commonwealth v. Joint Bargaining Committee of Pennsylvania Social Services Union, 82 Pa. Commonwealth Ct. 200, 475 A.2d 1333 (1984).

[10]The fact that claimant was terminated so soon after he signed the agreement was certainly relied upon by the Board in adjudging the credibility of the claimant and resolving conflicts in the testimony. Such an action is substantial evidence, one inference from which is that the termination was not the result of claimant's misconduct but the culmination of a premeditated course of action engaged in by BMY to gain all rights to the device and drive claimant from his livelihood.

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

BMY, a division of Harsco Corporation, Petitioner	:	
v.	:	NO. 3351 C.D. 1984
COMMONWEALTH OF PENNSYLVANIA, UNEMPLOYMENT COMPENSATION BOARD OF REVIEW, Respondent	:	

O R D E R

AND NOW, this 3rd day of February, 1986, the decision of the Unemployment Compensation Board of Review, Decision No. B-235175, dated October 19, 1984, is hereby affirmed.

JAMES GARDNER COLINS, JUDGE

Certified From the Record
Feb 3 1986
Deputy Prothonotary - Chief Clerk

APPENDIX J

APPENDIX J

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

HARSCO CORPORATION,	:	CIVIL ACTION
Plaintiff	:	
v.	:	
LUCJAN ZLOTNICKI,	:	
Defendant	:	No. 83-0384

PLAINTIFF'S STATEMENT OF MATERIAL FACTS

1. BMY is a divsion of Harsco Corporation, plaintiff herein, and is engaged in the concept, design and manufacture of military tracked vehicles for the United States Armed Forces and friendly foreign governments.

2. BMY employs a number of engineers with expertise in various engineering disciplines and relies upon their technical expertise to concept and design state-of-the-art military systems and projects to submit in response to Requests for Proposals ("RFPs") issued by various military departments.

3. In 1981, BMY (a) identified a need for a Staff Engineer with technical expertise

in engineering dynamics; (b) conducted a search for candidates to fill that position; (c) reviewed the resume of defendant, Lucjan Zlotnicki; (d) interviewed Zlotnicki; and (e) hired Zlotnicki in November, 1981 as a full-time Staff Engineer in the Research and Development section of the Engineering Department, based on his experience, training and background in engineering dynamics.

4. In December 1981, Zlotnicki was first presented with a copy of the Harsco Corporation Employee Agreement Relating to Inventions, Patents and Confidential Information (the "Employee Agreement").

5. On several occasions prior to August, 1982, Zlotnicki was asked by Harsco representatives to execute the Employment Agreement but he did not do so until Fevruary 18, 1983.

6. In late July 1982, BMY received and decided to respond to a United States Army Request for Proposal ("RFP") for a bridge launch mechanism. BMY determined that it

would respond to the RFP in conjunction with Israeli government: BMY would address the launch mechanism, while the Israelis would address the bridge concept.

7. On or about August 1, 1982, Lucjan Zlotnicki was assigned as part of the nucleus of the team tasked with determining technical solutions to the RFP, and in particular a bridge launch mechanism which would be feasible and best further BMY's chances of obtaining a contract award.

8. Initially, Zlotnicki was tasked with looking at the kinematics of the existing bridge launcher (the L-foot launcher) and to do basic moment calculations. In early August, Zlotnicki came up with the idea of applying a four-bar linkage concept to a bridge launcher. Thereafter, he was instructed to determine the feasibility of his idea, and if feasible, to develop it into a complete and operative invention ready to be incorporated and reduced to practice.

9. Zlotnicki was provided with design, drafting and engineering assistance in developing the application of the four-bar linkage concept to a bridge launch mechanism to be submitted by BMY in response to the RFP.

10. From on or about August 1, 1982 until submission of the technical response to the RFP in September 1982, Zlotnicki devoted full-time and substantial overtime as an employee of BMY in responding to the RFP and, in particular, in developing, testing and perfecting application of the four-bar linkage concept to the bridge launch mechanism.

11. The four-bar linkage bridge launcher was utlized and submitted by BMY in response to the RFP.

12. The four-bar linkage bridge launcher was conceived by Zlotnicki during his employment with Harsco; was along the lines of the business of Harsco; and was suggested by and resulted from work which Zlotnicki was doing for Harsco.

13. Defendant has judicially admitted that his earlier refusals to sign the Employee Agreement constituted cause to discharge him. Defendant's Memorandum of Opposition to Plaintiff's Motion for Summary Judgment at page 20.

14. On February 8, 1982, Zlotnicki expressed in writing his contention that he was the sole owner of the four-bar linkage bridge launcher.

15. On February 11, 1983, Zlotnicki was expressly advised that if he wanted to continue his employment with BMY it was required that he sign the Employee Agreement.

16. On February 18, 1983, Zlotnicki executed and returned the Employee Agreement.

17. The Employee Agreement provides in pertinent part, as follows:

> In consideration of my employment by Harsco Corporation, together with its subsidiaries and divisions, ("Harsco") and of the further continuation of such employment and of the salary and wages paid to me in connection with such employment, Harsco Corporation and I agree as follows:

1. I will communicate to Harsco promptly and fully all inventions made or conceived by me, either solely or jointly with others, during my employment, which are along the lines of the business, work, or investigation of Harsco or which result from or are suggested by any work I may do for Harsco; and such inventions, whether or not patented, shall be and remain the sole and exclusive property of Harsco or its nominees.

5. I warrant that I have not previously assumed any obligations inconsistent with those of this agreement.

6. This agreement shall be binding on my heirs, legal representatives and assigns and shall inure to the benefit of any successors and assigns of Harsco.

* * * * *

Respectfully submitted,

DATED: October 15, 1984

THOMAS B. KENWORTHY
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(215) 963-5702

and

THOMAS K. WOTRING
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(202) 872-5000

Attorneys for Plaintiff
Harsco Corporation

APPENDIX K

APPENDIX K

UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF PENNSYLVANIA

HARSCO CORPORATION	:	CIVIL ACTION No. 83-0384
	:	
vs.	:	
	:	
LUCJAN ZLOTNICKI	:	

DEFENDANT'S STATEMENT OF MATERIAL FACTS
IN OPPOSITION TO PLAINTIFF'S STATEMENT
PURSUANT TO LOCAL RULE 401.4

1. Admitted in part. Denied in part. It is admitted that BMY is a division of Harsco Corporation, and that BMY is engaged in the manufacture of military track vehicles for the United States Armed Forces and friendly foreign governments. It is specifically denied that Plaintiff is engaged in the "concept" and "design" of military track vehicles. On the contrary, Plaintiff is a build-to-print house and does some redesign work of existing vehicles, but no original design work.

2. Denied. It is denied that Plaintiff employes engineers who "concept (SIC) and design state-of-the-art military systems in response to RFPs." Plaintiff's line of busi-

ness is limited to build-to-print projects and redesign of already existing military track vehicles. By way of further answer, this allegation bears no relevance to the instance Motion.

3. Admitted in part. Denied in part. It is specifically denied that Defendant was a staff engineer in the Research and Development section of the Engineering Department of the Plaintiff. On the contrary, Defendant was hired as a staff engineer reporting to the Assistant Chief Engineer, and was not in any Research and Development department, since same did not exist at the time of Defendant's hiring or at any time during his employment.

4. Denied. It is specifically denied that Defendant was first presented with a copy of the "Employee Agreement" in December of 1981. On the contrary, Defendant was first presented with a copy of the "Employee Agreement" to sign during January of 1982.

5. Admitted in part. Denied in part. It is admitted that Defendant was requested subsequent to the time of commencing full-time employment to execute the "Employee Agreement", and he refused to do so on each occasion. Instead, he submitted his own proposal. It is specifically denied that Defendant was requested on "several occasions prior to August of 1982" to sign the "Employee Agreement". On the contrary, the only times Defendant was requested to sign the "Employee Agreement" was during January and May of 1982, and on February 11, 1983.

6. Admitted.

7. Denied. Plaintiff was not assigned on or about August 1, 1982 "as part of the nucleus of the team tasked with determining technical solutions to the RFP..." To the contrary, Defendant was only asked to be available to engineers who were on the "team" to do mathematical moment calculations on the existing state-of-the-art bridge launch mech-

anism design (the L-Foot). Defendant did not do any calculations on Plaintiff's redesign of the existing bridge launch mechanism (L-Foot).

8. Admitted in part. Denied in part. Defendant looked at the kinematics of the existing bridge launcher (L-Foot) and did basic moment calculations. At home, over the weekend of August 7-8, 1982, Defendant developed, on his own time and in his own home, pursuant to his own curiosity, the idea of applying the 4-Bar linkage concept to the bridge launch mechanism, and prepared a design sketch of same. Defendant was not instructed to determine the feasibility of his idea, and any allegation to the contrary is denied as untrue. Furthermore, Plaintiff, by and through its employees, rejected Defendant's invention twice in August 1982 and instructed him to act only when instructed. Defendant's invention was not adopted by Plaintiff as the means to

respond to the RFP until on or about August 16, 1982, at which time a team was assigned with Lucjan Zlotnicki as its leader to work on Defendant's invention to determine its feasibility for the RFP. More importantly, Defendant did not permit the Plaintiff to use his invention without first obtaining from Plaintiff a promise that he would be compensated for it.

9. Denied as stated. Defendant was provided with no assistance from Plaintiff until after Plaintiff decided to use Defendant's 4-Bar invention as the method to respond to the RFP which was no or about August 16, 1982.

10. Denied. Defendant did not devote either his full-time, his part-time or any substantial overtime in perfecting his invention or in responding to the RFP from August 1, 1982. Defendant did not even invent his invention until a week after that date. However, from on or about August

16 until September 1, 1982, Defendant did devote time and substantial overtime for which he received no compensation from Plaintiff for his work on the project.

11. Admitted.

12. Denied. The 4-Bar invention was conceived by Defendant on his own time, utilizing his own materials while at home over the weekend of August 7th and 8th of 1982, and not at the direction of Plaintiff. Further, Defendant's invention was not along the lines of the business of Plaintiff which was not in the business of doing original designs, but only build-to-print work and redesign of existing products. Further, the Plaintiff had never been involved with bridge launch mechanisms. Moreover, the invention was not suggested by the work Zlotnicki was doing for Harsco. The invention was entirely different from the requirements of the RFP, and when offered for consideration by Zlotnicki to Harsco, it was rejected twice

as being unresponsive.

13. Denied. It is denied that Plaintiff had cause to discharge Defendant and it is further denied that Defendant admits that Plaintiff had cause to discharge him. Furthermore, said allegation, such as it is, is irrelevant to this Motion, and is a misapplication of the argument of counsel.

14. Denied as stated. It is admitted that Defendant expressed in writing his contention that he was the owner of his invention. It is specifically denied that said writing was on February 8, 1982. On the contrary, on February 8, 1983, Defendant sent to Mr. Seymour Bassman, then Chief Engineer at BMY, and Defendant's supervisor, a memorandum that the intention of the Marketing Department of Plaintiff to advertise Defendant's invention would jeopardize the patent rights of the owner (Defendant) since no application for a patent had been filed as of that time. A copy of said memorandum

is attached hereto and made a part hereof as Exhibit "A".

15. Denied as stated. On February 11, 1983, Defendant was humiliated, harrassed, cursed at and threatened by Plaintiff's employees, to force Defendant to sign the Employment Agreement against his will. Defendant was told he would, in addition to suffering other harms, be fired if he did not sign.

16. Admitted with qualification. Defendant signed the Agreement and inserted the date of February 18, 1983, manifesting his intent and understanding that the "Employee Agreement" was to have prospective application only. Further, Defendant, as instructed at the February 11, 1983, meeting, attached to the "Employee Agreement" his proposed assignment agreement with the understanding that it would be actively considered by management. Further, Defendant did not receive any benefit or change in employment

status in consideration of his signing the "Employee Agreement".

17. Admitted with qualification. It is admitted that the portions of the "Employee Agreement" set forth by Plaintiff in this paragraph are those which Defendant has seen. However, Defendant was not advised nor did he intend that the "Employee Agreement" executed on February 18, 1983, would apply retroactively to his invention conceived in August of 1982, but only would be effective as of February 18, 1983 and until his proposed agreement which had been submitted to his superiors and which was "under consideration" for many months, as was stated to him, calling for renumeration for inventions was negotiated and approved by the Plaintiff.

For the foregoing reasons, Plaintiff's Motion should be dismissed.

Respectfully submitted,

CORSON & GETSON

_____

LAWRENCE CORSON, ESQUIRE

ROBERT B. B. SCHATZ, ESQ.

DATED: 7 Nov. 1984

APPENDIX L

APPENDIX L

UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF PENNSYLVANIA

HARSCO CORPORATION :
:
v. : CIVIL ACTION No. 83-0384
:
LUCJAN ZLOTNICKI :

DEFENDANT'S STATEMENT OF MATERIAL FACTS PURSUANT TO LOCAL RULE 401.4

1. Defendant was hired on a full-time basis with BMY commencing November 2, 1981, as a Staff Engineer. (Plaintiff's Statement of Material Facts in its second Motion for Summary Judgment, paragraph 1 (hereinafter PSMF), paragraph 4 of Plaintiff's Complaint and Defendant's Answer.)

2. Defendant was never informed of the existence of or presented with the Harsco Corporation Employee Agreement relating to Inventions, Patents and Confidential Information ("Employee Agreement") during (a) the job application and interview process, (b) at the time of notification of hiring, (c) at the time of commencement of part-time employment, and (d) at the time of commencement

of full-time employment. (PSMF paragraph 4, transcript of proceedings, hearing on Plaintiff's Motion for Preliminary Injunction, April 22, 1983 (hereinafter PIHT) at 49-50, testimony of William Jairett.)

3. Defendant was presented with the "Employee Agreement" to sign during January and May of 1982, and February 11, 1983. However, the Defendant declined to sign during January and May of 1982 because he had objections to the "Employee Agreement" and intended to submit his proposal for an assignment agreement requiring renumeration in addition to his salary for inventions assigned to Plaintiff. The Defendant submitted to Plaintiff his proposal for an assignment agreement on or about January 26, 1982. (Defendant's Affidavit on Opposition to Plaintiff's (First) Motion for Summary Judgment, par. 38.)

4. Defendant was instructed on February 11, 1983 that unless he executed the "Employee Agreement" he would be discharged from employment.

(PSMF Paragraph 15, paragraph 8 of Plaintiff's Complaint.)

5. The Defendant executed the "Employee Agreement" on February 18, 1983. (PSMF 16, paragraph 8 of Plaintiff's Complaint.)

6. The Defendant did not receive any additional compensation or other corresponding benefit or change in employee status as a result of his execution of the "Employee Agreement". (PIHT at 71, Plaintiff's Answers to Defendant's Interrogatories, No. 26.)

7. The Defendant was involuntarily terminated from employment with BMY on March 24, 1983. (Plaintiff Statement of Undisputed Facts to Motion for Summary Judgment filed May 26, 1983, paragraph 10 (last sentence).)

Respectfully submitted,

CORSON & GETSON

BY: _____
LAWRENCE CORSON, ESQ.

BY: _____
ROBERT B. B. SCHATZ, ESQ.

Dated: 8 Nov. 1984

APPENDIX M

APPENDIX M

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

HARSCO CORPORATION, : CIVIL ACTION

Plaintiff :

v. :

LUCJAN ZLOTNICKI, :

Defendant : No. 83-0384

PLAINTIFF'S RESPONSE TO DEFENDANT'S STATEMENT OF MATERIAL FACT

1. Admitted.

2. Denied as stated. It is admitted that Mr. Jairett did not discuss with Mr. Zlotnicki prior to the time that he was hired that he would be required to sign an Employee Agreement. It is further admitted that the letter offering employment did not mention the Employee Agreement. Finally, it is admitted that in December, 1981, Mr. Zlotnicki was first presented with a copy of the Employee Agreement.

3. The first two sentences are admitted with the caveat that these occasions were neither the first nor only times when defendant

was presented with or asked to sign the Employee Agreement.

4. Admitted.

5. Admitted.

6. Admitted.

7. Admitted.

Respectfully submitted,

Dated: November 21, 1984

THOMAS B. KENWORTHY
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(215) 963-5702

and

THOMAS K. WOTRING
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(202) 872-5000

Attorneys for Plaintiff
Harsco Corporation

APPENDIX N

APPENDIX N

HARSCO CORPORATION EMPLOYEE AGREEMENT RELATING TO INVENTIONS, PATENTS AND CONFIDENTIAL INFORMATION

In consideration of my employment by Harsco Corporation, together with its subsidiaries and divisions, ("Harsco") and of the further continuation of such employment and of the salary and wages paid to me in connection with such employment, Harsco Corporation and I agree as follows:

1. I will communicate to Harsco promptly and fully all inventions made or conceived by me, either solely or jointly with others, during my employment, which are along the lines of the business, work, or investigations of Harsco or which result from or are suggested by any work I may do for Harsco; and such inventions, whether or not patented, shall be and remain the sole and exclusive property of Harsco or its nominees.

2. I will keep and maintain adequate and current written records of all such inventions

at all stages, in the form of notes, sketches, drawings and reports, which records shall be and remain the property of and available to Harsco at all times.

3. I will during and after my employment, without charge to Harsco, but at its expense and request, assist Harsco and its nominees in every proper way to obtain, and to vest in it or them title to patents on such inventions in all countries, by executing all necessary or desirable documents, including applications for patents and assignments.

4. Unless authorized in writing, or instructed by Harsco, I will not during or after my employment disclose to others, or use, any of Harsco's inventions or discoveries or its secret or confidential information, knowledge or data which I may obtain during my employment relating to formulae, business methods, processes, machines, manufactures, or com-

positions, whether or not developed by me. I recognize that in certain areas Harsco has secret or confidential information, knowledge or data which it intends to maintain as secret or confidential as long as possible, and I agree with respect to such areas I will not during or after my employment disclose to others, or use, any of Harsco's secret or confidential information, knowledge or data relating thereto unless and until, and then to the extent and only to the extent that such information, knowledge or data becomes available to the public otherwise than by my act or omission.

5. I warrant that I have not previously assumed any obligations inconsistent with those of this agreement.

6. This agreement shall be binding on my heirs, legal representatives and assigns, and shall inure to the benefit of any suc-

cessors and assigns of Harsco.

7. This agreement supersedes all previous agreements, written or oral, relating to the above subject mater and shall not be changed orally.

8. The parties hereto agree that this agreement is made under the laws of the Commonwealth of Pennsylvania and for all purposes shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, in which jurisdiction Harsco Corporation maintains its principal offices and place of business.

WITNESS:_____ EMPLOYEE_____

BOWEN-McLAUGHLIN-YORK CO.
DIVISION OF HARSCO CORPORATION

WITNESS:_____ BY_____
C.S. Bransom
Divisional President

APPENDIX P

APPENDIX P

This is the only documented agreement relating to inventions, patents and confidential information between Harsco Corporation (Harsco) and Lucjan Zlotnicki (employee).

1. Employee will communicate to Harsco promptly and fully all inventions made or conceived by him, either solely or jointly with others, during his employment, which are along the lines of the business, work, investigations, or are suggested by any work he may do for Harsco; and such inventions, whether or not patented, shall be assigned to Harsco or its nominees.

2. If the invention is applicable to the Harsco products of manufacture and is produced in the Harsco facility using the materials and tools of the employer, then Harsco is entitled to a shop right, i.e., it has an unwritten license from the employee and has the right to make, use, and sell the product.

3. The employee will keep and maintain adequate and current written technical records of all such inventions at all stages, in the form of notes, sketches, drawings and reports. The records shall be duplicated by Harsco to remain with and be available to Harsco. All written records remain the property of the employee, particularly the procedures leading to the patented solution, although the patented end result is being assigned to Harsco.

4. The employee recognizes that in certain areas Harsco has secret or confidential information, knowledge or data which it intends to maintain as secret or confidential as long as possible, and the employee agrees with respect to such areas the employee will not during or after his employment disclose to others, or use, any of Harsco's secret or confidential information, knowledge or data relating thereto unless and until, and then to the extent

that such information, knowledge or data becomes available to the public otherwise than by my act or omission. There is no other trailing clauses binding the employee.

5. Harsco recognizes the employee efforts in the past and present in maintaining professional excellence and will provide compensation over and above normal salary and fringe benefits as well as accelerated advancement for superior performance and/or special accomplishments including generation of proprietary information and patents.

6. Harsco recgonizes the right of the above employee to publish and present unclassified results of his work for Harsco. Such publications and presentation preparation will be supported financially by Harsco.

7. Any computer software developed by the employee remains the sole property of the employee. In the event of developing software which can be used by Harsco in its line of businesses, the one time licensing

fee will be awarded to the employee in the amount of $20.00 (in 1982 dollars) per line of a source code. The one time licensing fee will cover the period until termination of employment contract with the employee.

8. Harsco will pay all fees and costs related to patented design development including reduction to practice.

9. Harsco agrees to release to inventor any patent which is not being utilized by Harsco for one maintenance period as defined by Public Law 96-517 (or revisions) after paying maintenance fees for next maintenance period.

10. Any of the above provisions shall not be enforced or held against any part of this agreement if it is found to be against public interest or State and/or Federal laws as itnerpreted by current legal practice and precedent cases.

Initials:

11. The provisions of this agreement

expire after the employee is terminated.

12. The patents and designs conceived and/or developed outside the employment place and/or hours will be a subject of separate agreements.

13. The parties hereto agree that this agreement is made under the laws of the Commonwealth of Pennsylvania and the United States Code as applicable and for all purposes shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania and the United States Code as applicable, in which jurisdiction Harsco Corporation maintains its principle offices and place of business.

WITNESS:_____ EMPLOYEE_____
Lucjan Zlotnicki,
Staff Engineer,
Engineering

B M Y
A Division of Harsco
Corporation

WITNESS:_____ BY_____
V. L. Jones
Divisional President

DATE_____

APPENDIX R

APPENDIX R

ROTARY LIFT CO. v A.W. CLAYTON

127 F.Supp. 176 ; Civ. A. No. 51-485

U.S. District Court - Massachusetts

Sept. 27, 1954

Suit by corporation to compel former employee to sign application for a patent together with an assignment of patent application. Defendant counter claimed for rescission of an "employee's agreement for assignment of invention". The District Court, McCarthy, J., held that agreement which employee signed after he had conceived idea for "by-pass valve", which was of sort employees are asked to sign at the time that they enter upon their work and which required disclosure to employer of inventions conceived or developed during term of employment was not retroactive and did not require employee to sign application for patent and assignment of patent application, but that evidence did not warrant rescission.

Complaint and counterclaim dismissed.

1. Patents 183

Agreement which employee signed after he had conceived idea for "by-pass valve", which was of sort employees are asked to sign at time that they enter upon their work and which required disclosure to employer of inventions conceived or developed during term of employment was not retroactive and did not require employee to sign application for patent and assignment of patent application.

2. Contracts 155

If language in a contract is ambiguous, it is to be interpreted most strongly against the party who drew it.

3. Specific Performance 28(1)

Equity will lend its aid only in enforcing those terms which the parties themselves have made clear and definite.

4. Specific Performance 119

The burden of establishing the certainty of a contract rests on him who seeks performance.

5. Patents 183

In suit to rescind an "employee's agreement of assignment of invention", evidence of duress was insufficient to warrant rescission.

W. R. Hulbert, Hector M. Homes (of Fish, Richardson & Neave), Boston, Masss., Albin C. Ahlberg, Ahlberg, Wunper & Gradolph, Chicago, Ill., for plaintiff.

Stuart Macmillan and Samuel F. Clapp (of Haussermann, Davison & Shattuck), George C. Cutler, Jr., Ralph F. Tuller, Boston, Mass., for defendant.

McCARTHY, District Judge.

The plaintiff, Rotary Lift Company, is a corporation organized and existing under and by virtue of the laws of the State of Delaware. The defendant, A. Wiley Clayton, is a citizen of the State of Tennessee. At the time of the institution of this action, he was a student at the Massachusetts Insti-

tute of Technology in Cambridge, Massachusetts. The matter in controversy exceeds the sum of $3,000, exclusive of interest and costs.

This is a suit for specific performance to compel the signing of an application for a patent together with an assignment of such patent application. By way of counter-claim the defendant seeks the rescission of an "employee's agreement for assignment of inventions". The facts are as follows:

The plaintiff is engaged in the manufacture and sale of automobile lifts, freight and passenger elevators and other equipment. The defendant was employed by the Company on June 1, 1942, and it is clear that he left its employ on September 9, 1949.

Clayton is a graduate of a technical high school in Memphis, Tennessee. After graduation, and before entering Rotary Lift's employ, he worked in the waste control department of Firestone Tire & Rubber Company at Memphis. His first assignment at the

Rotary Lift Company was as a draftsman and operator of a blueprint machine at a salary of $90 a month. From time to time thereafter it was increased until in 1949 his wage reached $335 a month. Besides operating the blueprint machine, Clayton prepared drawings or sketches under the supervision of older employees in the engineering department. Later he was sent out with employees in the service department to investigate difficulties which developed in elevator equipment manufactured by the Company and installed by a distributor who held a franchise for the sale of its equipment. During the last two years of employment his work consisted largely of the preparation of drawings and illustrations for the service manual and catalogues published by the company. He was not engaged in research or design activities at any time, nor was he working on technical drafting projects primarily.

Among the installations of elevators by the company was one at the Convent of the Good Shepherd at Memphis which was the subject of service difficulties. The elevator was equipped with a "P53 control valve", a valve which had been designed by John W. Harrison, then the company's chief engineer, and Lawrence Jaseph, the Chief Design Engineer. Clayton told Harrison that he believed that the trouble was attributable to the faulty design of the valve rather than poor workmanship in the factory as Harrison had contended. Harrison remained unconvinced. He forbade Clayton to work on designs and instructed him to stick to his regularly assigned duties.

Clayton then began to devote his spare evenings to the problem. He built a model by-pass valve, prepared a sketch of his idea, and delivered it to Harrison. Harrison spoke disparaglingly of its value.

In March of 1949, Harrison placed upon

Clayton's desk the "Employee's Agreement for Assignment of Inventions" which read as follows:

> In part consideration of my employment by Rotary Lift Company of Memphis, Tennessee, and of wages and salary to be paid by that company to me, I ____ ____ Wiley Clayton ____ ____ hereby agree promptly to disclose to that Company, in any manner it may prescribe, inventions conceived or developed by me during the entire term of my employment by the Company and for a period of one year thereafter, and which inventions relate in any way to any business in which that Company is or may become interested during the terms of my employment; and for the same consideration I hereby grant and agree formally to convey to Rotary Lift Company, its successors, and assigns, the entire rights, to each and all such inventions and in and to all patent rights thereto, and I further agree, without charge to that Company, but at its request and at its expense, promptly to sign, acknowledge and deliver to that Company, or to any agent it may designate, all applications for patent, assignments and such other papers and to perform such other acts as that Company may deem necessary or expedient to obtain domestic and foreign patents on such inventions and to vest title thereto in Rotary Lift Company, its successors and assigns.
>
> "Witness my hand and seal this third day of March, 1949
>
> Wiley Clayton
>
> "Witness"
> J. B. Harrison"

The signatures, of course, had not been placed upon the paper at that time. Clayton balked at signing and told Harrison that he wanted to take the paper to an attorney. Two days later he told Harrison he would like to have some changes made. When Harrison refused to do so, he (Harrison) made a remark to the effect that if Clayton refused to sign, he could expect to encounter difficulty when he sought other employment. Clayton affixed his signature to the document.

About four months later, at Harrison's request, Clayton prepared a description of his "by-pass control valve" for incorporation in Harrison's "idea file"; then, in September of that year, a few days before Clayton left the employ of the company, Harrison said that the company might want to "patent the valve".

A year and a half later, when Clayton was a student at the Massachusetts Institute of Technology the company submitted to him

a formal patent application for approval. He declined to execute it, and this suit followed.

Several factors in tis case are deserving of emphasis. First, with respect to the nature of Clayton's employment, it is to be noted that he was not employed as a research man or design engineer. He was a "student draftsman" for a portion of the time, went out with other employees in the service department to investigate complaints with respect to certain of the company's installations of elevators, made sketches for manuals, and was used as a photographer on a contract basis. In brief, he was not hired to exercise his inventive ability.

Secondly, the "employee's agreement" was a form which was distributed to a number of the Rotary Lift employees. They were required to sign as a condition of continued employment. The contract was made by filling in names and dates, and is obviously of the type that

employees are asked to sign at the time thaty they enter upon their work.

(1) The enforceability of agreements to assign inventions is not at issue here. The nub of the problem in this case is simply whether the contract in question covered the Clayton "by-pass valve" idea which was conceived long prior to the execution of the agreement. The answer must be in the negative.

Both the nature and the language of this contract support the defendant's contention that it was not retroactive. As has been stated hereinbefore the form was of the type submitted to employees when they enter upon their work, and which looks to inventions which may be conceived after the contract is signed. In passing it might be stated that if the plaintiff's contention were correct with respect to the contract having retroactive application, Clayton might have been discharged the day

after signing the form and his "valve" idea would be the property of this employer. The language employed in the contract looks to the future also. By its terms the defendant binds himself "* * * promptly to disclose to that company, in any manner it may prescribe, inventions conceived or developed by me during the entire term of my employment and * * * to convey * * * all such inventions". Clayton could not have understood that he was binding himself to "disclose" an invention that had already been disclosed. Furthermore, the consideration for the defendant's promise was "wages and salary to be paid" by the company.

The plaintiff has placed great stress upon one word contained in the form. It has emphasized Clayton's agreement to disclose inventions conceived during the "entire" term of his employment. Since, however, this form would have been executed normally at the beginning of the term of

employment, it would have prospective application. The word "employment" itself, as used in this contract in the first sentence, unquestionably has a future intendment. The phrase "entire term" of employment, therefore, in this context, should be interpreted similarly.

(2-4) Under familiar principles of contract law if the language in a contract is ambiguous, it is to be interpreted most strongly against the party who drew it. Furthermore, equity will lend its aid only in enforcing those terms which the parties themselves have made clear and definite, Monsanto Chemical Works v. Jaeger, D.C., 31 F.2d 188, 191, and the burden of establishing the certainty of the contract rests on him who seeks performance. Had the parties intended that this agreement should cover the idea already conceived by Clayton, they could easily have inserted in the contract the provision that the employee agreed to

convey his interest in "inventions made by the employee in the past, while employed by the company" as well as inventions which he might make thereafter.

(5) It follows that the plaintiff is not entitled to have the contract specifically enforced. The complaint must be dismissed. On the other hand, neither can the prayers of the defendant's counterclaim be granted. Rescission of the contract has been sought on the ground that duress was employed. I am unable to find that there is sufficient evidence to warrant that conclusion. I am not unmindful, in arriving at this determination, of the pressure which was exerted upon the defendant to execute the patent application while he was a student at the Massachusetts Institute of Technology, and of the effect which the letter from the plaintiff's attorneys to the Institute might have had upon the defendant's education and career. Since, however, this episode had nothing to

do with the original execution of the contract, it does not avail the defendant in carrying his burden of proof with respect to the allegations set forth in the counterclaim. The counterclaim, as well as the complaint, must be dismissed.